

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

3 A. My name is Randy Lobb and my business address is
4 472 West Washington Street, Boise, Idaho.

5 Q. Are you the same Randy Lobb who previously
6 submitted testimony in this proceeding?

7 A. Yes I am.

8 Q. What is the purpose of your rebuttal testimony in
9 this proceeding?

10 A. The purpose of my rebuttal testimony is to address
11 issues raised in the direct testimony of Christina Zamora on
12 behalf of the Community Action Partnership Association of
13 Idaho (CAPAI).

14 Q. Would you please summarize your testimony?

15 A. Yes. Through the testimony of Ms. Zamora, CAPAI
16 unfairly blames historic rate case processing and
17 specifically the processing of this case for its failure to
18 prevail on issues of interest or to obtain requested
19 information to fully vet its issues. Staff believes CAPAI
20 had numerous opportunities in recent general rate cases,
21 whether fully litigated or settled, to inform the terms of
22 the settlement or make its case directly to the Commissioners
23 at hearing. In this case, Staff maintains that CAPAI had
24 more than enough time to obtain the information it needed to
25 address its issues. While not supporting a rate structure

1 change in this case, Staff is willing to work with CAPAI to
2 evaluate low income rate issues and recommend adjustments
3 that will benefit low income customers. However, Staff
4 believes that the processing of this case, given the
5 circumstances, is in the best interest of all customers and
6 did not disadvantage CAPAI.

7 Q. On page 6 of her testimony, Ms. Zamora states that
8 Staff typically schedules settlement negotiations in every
9 case soon after the case is filed and does so without ever
10 contacting CAPAI. Is this true?

11 A. Absolutely not. Staff does not unilaterally
12 schedule settlement negotiations. General rate case
13 schedules, including settlement dates if any, are established
14 by all parties at a prehearing conference after the
15 intervention deadline has passed. CAPAI has intervened in
16 numerous general rate cases and participated in all
17 scheduling conferences.

18 Q. On page 7 of her testimony, Ms. Zamora talks about
19 typical rate cases since 2011 and how the Staff engages in
20 meetings with utilities before a filing. She then explains
21 that there is typically a very abbreviated course of
22 discovery between Staff, the utility and possibly a large
23 industrial special contract customer and then the scheduling
24 of settlement conferences. Is she correct?

25 A. No, not at all. Staff rarely meets with the

1 Company to discuss the contents of a rate case before the
2 utility makes a filing. However, Staff works with utilities
3 every day on a variety of issues so we are keenly aware of
4 what will likely be included in a rate filing. Staff has
5 also processed numerous general rate case filings from all of
6 the utilities over the last few years and has a detailed
7 understanding of cost drivers and issues.

8 With respect to abbreviated course of discovery,
9 Ms. Zamora is simply wrong. The Commission Staff has
10 processed four electric utility general rate cases since
11 2011. During that time period, Staff processed two Avista
12 cases and one each for Idaho Power and PacifiCorp. The
13 average discovery period in those cases was 3.6 months and
14 Staff asked an average of 191 discovery requests.
15 Additionally, numerous other discovery requests were asked by
16 other parties to the case. For the ten rate cases processed
17 since 2008, the average time allotted for discovery was
18 approximately four months where Staff asked an average of 147
19 discovery requests. CAPAI was a party in all of these cases.

20 Q. On page 8 of her testimony, Ms. Zamora complains
21 that since 2011 Staff has settled rate cases before prefile
22 is due and before CAPAI has a chance to prepare? How do you
23 respond?

24 A. I can't respond to CAPAI's inability to prepare in
25 the timeframe provided. However, the maximum timeframe for

1 processing rate cases is set by statute and all available
2 time is used by the parties in setting the case schedule.
3 Staff generally believes that there is an advantage for
4 ratepayers if settlement occurs prior to the parties
5 prefiling direct testimony. Once testimony is filed, the
6 utility has a better understanding of how strong or weak
7 party positions may be and may be less inclined to reduce its
8 revenue requirement request than it would have been prior to
9 filing. In other words, the parties can often present a
10 better case in settlement negotiations than can actually be
11 defended in prefiled direct testimony.

12 However, attempting to settle a case before non
13 utility parties file direct testimony does not mean the
14 period for discovery is significantly shorter or case review
15 is less rigorous. In Case No. PAC-E-11-12, the first
16 settlement conference was held three months after the Company
17 filed its Application, and the Settlement Stipulation was
18 filed with the Commission thirteen days before original
19 prefile was due.

20 Q. On page 10 of her testimony, Ms. Zamora claims that
21 in numerous cases CAPAI is instructed by Staff that CAPAI's
22 issues are of no relevance to them in the settlement process,
23 which results in CAPAI being shut out and marginalized. Do
24 you agree that this is the case?

25 A. No, I do not. CAPAI typically presents two main

1 issues in general rate case proceedings. Those issues are
2 funding levels for the Low Income Weatherization program and
3 the impact of rate structure on low income customers. Staff
4 has worked very closely with CAPAI on both of these issues to
5 understand what CAPAI hopes to achieve and how its positions
6 might be justified. Moreover, CAPAI is always given the
7 opportunity to address these issues before the Commission.

8 In the fully litigated PacifiCorp rate Case No.
9 PAC-E-10-7, CAPAI participated as a party and was able to
10 fully present its positions to the Commission for decision.
11 CAPAI addressed low income weatherization and opposed the
12 Company's proposal to increase the residential customer
13 charge.

14 In the PacifiCorp general rate Case No.
15 PAC-E-11-12, CAPAI declined to enter into settlement and
16 instead filed testimony with the Commission regarding concern
17 over the settlement process and the need to increase low
18 income weatherization funding. These issues were presented
19 at hearing and heard by the Commission. Although CAPAI did
20 not support the Stipulation, it found positive value in
21 preserving the five dollar monthly residential customer
22 charge.

23 In other cases such as IPC-E-11-08 and AVU-E-11-01,
24 CAPAI's issues were either heard by the Commission at hearing
25 or incorporated in the Settlement Stipulation. In all of

1 these cases, CAPAI had the opportunity to shape the
2 settlement or, alternatively, present its case directly to
3 the Commission.

4 Q. CAPAI witness Zamora complains in testimony from
5 pages 15 through 20 about the processing of this case and the
6 lack of response from Rocky Mountain in answering production
7 requests. Could you please provide your perspective on case
8 processing and responses to production requests?

9 A. Yes. As I previously explained in my direct
10 testimony, settlement was achieved in this case without a
11 traditional Company rate filing by virtue of the straight
12 forward settlement terms. All of the settlement terms have
13 been previously approved by the Commission, are in the
14 process of being determined by the Commission or will be
15 subject to review by the Commission in the future. Staff and
16 all other signatory parties agree that the settlement is a
17 reasonable alternative to a general rate case filing.

18 I have described the chronology of this case in my
19 direct testimony so I will not repeat it here. I do want to
20 point out that the time period between the Company's
21 Application to open the case and CAPAI's Motion to Compel
22 discovery was five months, from March 1, 2013 to July 30,
23 2013.

24 On page 19 of her direct testimony, Ms. Zamora asks
25 if Staff took a position in the discovery dispute. No

1 discovery request from CAPAI to Rocky Mountain was ever filed
2 with the Commission. It cannot be found in any case file or
3 in any e-mail to Commission Staff. To date, I have not seen
4 the discovery request. I did receive an e-mail on May 31,
5 2013 from CAPAI's attorney stating that Rocky Mountain
6 refused to respond to CAPAI's production request so CAPAI
7 would not sign the Settlement. Two months later, CAPAI filed
8 its Motion to Compel.

9 Q. In your view, did the processing of this case
10 prevent CAPAI from full participation?

11 A. I do not believe that it did. CAPAI had three
12 months to ask, and even compel discovery if necessary, before
13 the Settlement was filed. CAPAI had an additional two months
14 after the Settlement to obtain discovery, prepare testimony,
15 etc. CAPAI's traditional issue of Low Income Weatherization
16 funding was not really addressed by CAPAI. The only issue
17 raised by CAPAI was rate design. It is likely CAPAI would
18 have been provided even less time to request, receive and
19 analyze rate information if the Company had made a
20 traditional rate filing.

21 Regardless of the rate change recommendations CAPAI
22 might have proposed, changing rate structure in this case or
23 a traditional case can cause substantial increases for some
24 customers even when the proposed overall increase is small.

25 Q. Would Staff be willing to sit down with CAPAI to

1 analyze the various residential rate structures to determine
2 impact on low income customers?

3 A. Yes. Staff worked with CAPAI recently on
4 collecting and analyzing relevant customer data from Avista
5 and is willing to do the same with data provided by Rocky
6 Mountain and Idaho Power. Ms. Zamora states on page 11 of
7 her testimony that CAPAI is the only low income residential
8 advocate. However, Staff advocates for low income customers
9 by limiting overall rate increases and balancing rate design
10 for the overall benefit of all low income customers.

11 Q. Does that conclude your rebuttal testimony in this
12 case?

13 A. Yes it does.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT I HAVE THIS 30TH DAY OF AUGUST 2013, SERVED THE FOREGOING **REBUTTAL TESTIMONY OF RANDY LOBB**, IN CASE NO. PAC-E-13-04, BY E-MAILING AND MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

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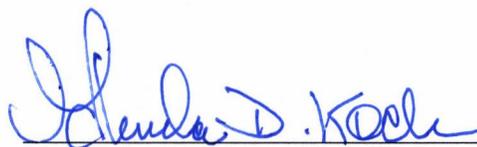
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