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IDAHO PUBLIC UTILITIES COMMISSION

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

9 IN THE MATTER OF THE APPLICATION)
 10 OF IDAHO POWER COMPANY FOR) CASE NO. IPC-E-11-08
 11 AUTHORITY TO INCREASE ITS RATES)
 12 AND CHARGES FOR ELECTRIC SERVICE)
 13 TO ITS CUSTOMERS IN THE STATE OF)
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16 **COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO'S**
 17 **SURREBUTTAL TESTIMONY OF**
 18 **TERI OTTENS**

1 **I. INTRODUCTION**

2 Q: Please state your name and business address.

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

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

6 A: The Community Action Partnership Association of Idaho ("CAPAI") Board of Directors
7 asked me to present the views of an expert on, and advocate for, low income customers of
8 AVISTA.

9 Q: Have you previously submitted pre-filed testimony in this proceeding?

10 A: Yes, on October 11, 2011 I submitted direct testimony.

11 Q: What is the purpose of this surrebuttal testimony?

12 A: The purpose of this testimony is to respond to the rebuttal testimony filed by Ms. Stacey
13 Donohue of the Commission Staff on November 16, 2011.

14 Q: Does your surrebuttal testimony respond to any other testimony than that of Ms.
15 Donohue?

16 A: No.

17 Q: Please explain why you are responding to Ms. Donohue's rebuttal testimony?

18 A: I am responding because Ms. Donohue, for the first time in this proceeding and to an
19 extent for the first time to my knowledge, raises certain issues and/or makes certain
20 recommendations to the Commission that bear directly on CAPAI's involvement in this
21 case. No Staff witness submitted direct testimony addressing the same issues and
22 containing the same recommendations as those addressed and contained in Ms.
23 Donohue's rebuttal. In fact, it is fair to say that Staff's direct testimonies simply
24 supported the proposed settlement stipulation in this case to which CAPAI is not a party

1 but did not address the primary issue of concern to CAPAI and its constituents. Thus,
2 CAPAI had no way to anticipate the scope, nature and extent of the positions Staff has
3 now taken through Ms. Donohue's rebuttal and had nothing to rebut as of the rebuttal
4 testimony deadline. CAPAI, therefore, filed no rebuttal.

5 Q: Is it CAPAI's contention that it was completely unaware that Staff generally opposed
6 CAPAI's proposal for a funding increase to Idaho Power's low-income weatherization
7 program known as "WAQC?"

8 A: No, CAPAI was aware that Staff had certain reservations about CAPAI's position going
9 into the filing of my direct testimony. In fact, my direct testimony specifically addresses
10 many of those reservations, as I perceived them at that time. In her rebuttal, Ms.
11 Donohue testifies that my characterization of Staff's concerns and objectives was "fairly
12 accurate." *Reb. Test. S. Donohue, p. 5, ln 12.*

13 Q: To what extent was CAPAI aware of Staff's reservations you refer to?

14 A: Though I am not an attorney, I do understand that issues and positions discussed during
15 the settlement proceedings in this case are confidential and cannot be disclosed by me or
16 anyone else. Thus, my answer to your question must, to a certain extent, be couched in
17 generalities.

18 Q: With that qualification understood, to what extent was CAPAI aware of Staff's position
19 on CAPAI's positions and recommendations in this case?

20 A: Since its first intervention before this Commission, CAPAI has routinely and fairly
21 frequently communicated with Staff regarding issues affecting the poor and how best to
22 address and resolve those issues. From CAPAI's view, those communications have
23 resulted in a long-standing cooperative and positive relationship. CAPAI still holds this
24 view and understands that reasonable minds can and do differ. But had CAPAI known

1 the full extent of Staff's positions and recommendations set forth in Ms. Donahue's
2 rebuttal testimony, it would certainly have presented testimony and exhibits challenging
3 that testimony.

4 Q: Prior to the filing of Ms. Donohue's rebuttal, what did you understand Staff's reservations
5 about the proposal you made in your direct testimony to be?

6 A: Generally speaking, CAPAI perceived that Staff had reservations about increasing Idaho
7 Power's WAQC funding because of doubts over the cost-effectiveness of Rocky
8 Mountain Power's low-income weatherization program (LIWA) resulting from the filing
9 last spring of Case No. PAC-E-11-13 (referred to as the "RMP 13 case"). The primary
10 purpose of Rocky Mountain's application in that case is to relieve Rocky Mountain of any
11 obligation to conduct future cost-effectiveness studies of its LIWA program. Rocky
12 Mountain bases its filing on an extremely abbreviated and confusing study that ignores or
13 contradicts past Commission Orders and policy regarding the proper valuation of low-
14 income weatherization programs. I also noted in my direct testimony why an
15 unsubstantiated filing and inappropriate request by Rocky Mountain should not be used
16 as a basis to oppose increasing WAQC funding.

17 Q: Is there another Staff position that you were aware of prior to filing your direct
18 testimony?

19 A: Yes, Staff suggested that my per capita LIWA funding level comparison between Idaho
20 Power and AVISTA was not a valid comparison because of the latter utility's gas
21 customers. That Staff perception was confirmed in Ms. Donohue's rebuttal and will be
22 addressed later.

23 Q: What aspects of Ms. Donohue's rebuttal do you contend is novel or different in some
24 manner such that CAPAI could not have predicted it in Staff rebuttal?

1 A: The majority of Ms. Donohue's testimony constitutes a departure from prior Staff
2 positions, as I will discuss later.

3 II. ARGUMENT

4 A. Mathematical Calculation of Per Capita Funding Comparison

5 Q: First, do you believe that there any specific factual error in Ms. Donohue's testimony?

6 A: Yes. On p. 3, ln. 9 of her rebuttal, Ms. Donohue states that she "agrees" with my
7 calculation of Idaho Power and Rocky Mountain's funding levels of \$3.21 and \$5.32,
8 respectively. I never testified that Idaho Power's per capita funding level (the amount of
9 WAQC funding divided by number of residential customers) is \$3.21. *See, Testimony of*
10 *Teri Ottens, p. 17, lns 3-14 through p. 18, lns 1-8.* In fact, I specifically noted that in
11 response to CAPAI's discovery requests, Idaho Power made the per capita calculation of
12 \$3.21 but that this figure apparently includes the Company's own internal administrative
13 costs of its relatively limited role of actually administering the WAQC program. *Id.* My
14 per capita calculations for all three utilities do not include internal administrative costs.
15 CAPAI has never calculated per capita funding in the manner Ms. Donohue suggests
16 because we don't know what any of the utilities' internal administrative costs are. CAPAI
17 only knows what its own administrative costs are (based on a percentage of total
18 funding). To be consistent, therefore, I deducted Idaho Power's internal administrative
19 costs so that its per capita funding level was calculated in the same manner as the other
20 two. Utilizing this approach yields a per capita funding level for Idaho Power of \$3.08.
21 *Id.* The manner in which I made the simple arithmetic calculation of per capita funding
22 cannot logically be challenged and is not affected by whether one accepts my comparison
23 of the three utilities for other reasons.

1 Q: What are the consequences of Ms. Donohue's use of \$3.21 per capita funding for Idaho
2 Power?

3 A: The difference between \$3.21 and \$3.08 is \$49,065. Ms. Donohue contends, however,
4 that the appropriate AVISTA funding level for comparison purpose (after excluding gas
5 customers from the equation) is \$3.98. *Rebuttal Test S Donohue, p. 3, ln 24.* She then
6 compares this to Idaho Power's supposed funding level of \$3.21. Given the relatively
7 larger size of Idaho Power's customer base, the difference in funding disparities between
8 Idaho Power and AVISTA, accepting Ms. Donohue's calculations, is \$348,686. Even if
9 CAPAI agreed that the AVISTA relative funding level is \$3.98, which CAPAI does not
10 agree to, this is a considerable sum of money. Thus, Ms. Donohue's statement that
11 "[a]ccordingly, Idaho Power's low-income weatherization investment of \$3.21/customer
12 is similar to AVISTA's and achieves relative 'parity' even as defined by Ms. Ottens is
13 factually inaccurate. In any event, I disagree with Staff's position that it is necessary to
14 deduct AVISTA's gas customers from the equation when calculating parity.

15 **B. Is Per Capita Funding Comparison Fair Because AVISTA Serves Gas Customers?**

16 Q: On page 3, ln 13 of her rebuttal, Ms. Donohue testified that in calculating AVISTA's per
17 capita level of LIWA funding, you "ignore that when the Commission ordered AVISTA
18 to spend \$700,000 annually on low-income weatherization in Idaho, that amount was for
19 both its gas and electric low-income weatherization programs." What is your response to
20 this assertion?

21 A: First, I did not "ignore" the fact that AVISTA provides low-income weatherization
22 funding for both its gas and electric customers. The Commission approved a settlement
23 agreement reached by the parties in Case No. AVU-E-10-01 in Order No. 32070.

24 Consistent with prior orders, the Commission did not distinguish between customers

1 based on their heat source. AVISTA's practice of funding both gas and electric
2 weatherization has been found prudent by the Commission for many years. Most
3 importantly, the AVISTA total funding level for both gas and electric customers has been
4 the benchmark that CAPAI and Staff have used for parity comparison purposes since
5 2003 when CAPAI first appeared as a party before the Commission proposing a \$1.2
6 million increase in LIWA funding to bring Idaho Power to parity with AVISTA.

7 Q: How do you respond to Staff's substantive argument that AVISTA's gas customers should
8 be deducted from the calculation for the purpose of comparing per capita funding
9 between the three utilities?

10 A: The important point to remember is that all of AVISTA's gas customers are also electric
11 customers. An AVISTA electric heater benefits from weatherizing the home of a gas
12 heater to the same extent that all non-low income residential customers benefit from low-
13 income weatherization. That benefit is in the form of what are generally referred to as
14 "system-wide benefits." These include such things as reduced arrearages, debt collection
15 costs, bad debt write-off and improved cash flow among others. AVISTA gas heaters
16 pay a combined bill that includes electric consumption. Electric heaters receive the same
17 system-wide benefits resulting from reduced gas consumption as non-low income
18 customers benefit from providing low-income weatherization to any electric customer
19 regardless of heat source. Furthermore, it requires electricity to run a gas furnace so there
20 is a nexus between gas heat and electric consumption.

21 Another point to consider is that many of Idaho Power's and Rocky Mountain's
22 customers are gas heaters. Even though those two utilities do not provide gas service,
23 their gas heating customers pay for electric low-income weatherization when they pay
24 their bills and derive the same system-wide benefits I've described.

1 The Commission has never qualified or conditioned any of its orders related to
2 low-income weatherization, based on a customer's heat source.

3 **C. Criteria for Comparing Relative Funding**

4 Q: Is there another aspect of Ms. Donohue's testimony that you believe is unique?

5 A: Yes. Ms. Donohue seems to entirely dismiss the significance of comparing funding
6 levels on a per capita basis. In response to a question whether the Commission should
7 "seek to attain parity" when reaching a final determination of the appropriate funding
8 level for Idaho Power, Ms. Donohue states: "No. It makes more sense to provide similar
9 funding based on need, not on the basis of total residential utility customers as proposed
10 by Ms. Ottens." *Testimony, S. Donohue, p.4, lns 3-7*. She goes on to argue that requiring
11 parity in funding levels is "arbitrary." *Id.* She recommends that the appropriate
12 comparison criterion is "need" in the respective service territories of the three utilities.

13 Q: Do you necessarily disagree with a need-based approach for the Commission to adopt
14 when setting funding levels?

15 A: I disagree with any contention that, assuming one accepts parity as a valid principle to be
16 followed, my per capita comparisons are inaccurate or inappropriate based on the existing
17 policy approved by the Commission. CAPAI does not necessarily object, however, to the
18 notion of a need-based determination of funding in the future. In fact, the Staff report
19 created in Case No. GNR-U-08-01 focuses on "need" as a driving force behind
20 determining energy affordability in general. That same report proposes that LIWA
21 funding should be addressed in cases before the Commission, such as this one. If the
22 appropriate criterion for establishing funding levels for LIWA is "need," then the funding
23 levels of all three utilities should be substantially increased and CAPAI's proposed \$1.5
24 million increase to WAQC in this case is seriously short of satisfying need. To truly

1 satisfy need, it would be necessary to fund all LIWA programs at a level that eliminates
2 the already tremendous waiting list for LIWA eligible customers. In fact, in order to
3 satisfy "need" in Idaho Power's service territory, a funding level of \$55,529,500 would be
4 needed.

5 Q: On page 4, lns 17-24, Ms. Donohue discusses Staff's perspective on what criteria to rely
6 upon in determining appropriate LIWA funding levels for all utilities. She states: "It
7 would be better to compare proportional funding levels among the utilities based on
8 factors measuring relative need..." She further states: "Possible methods could include
9 the number of low income customers, number of homes needing weatherization, and
10 poverty rates." *Test. S. Donohue, p. 4, lns 17-19.* What is your response to this proposal?

11 A: I frankly do not see how Ms. Donohue proposes anything other than the exact method by
12 which CAPAI has always approached LIWA funding. As my testimony in this and
13 virtually every other case I have testified in before this Commission regarding LIWA
14 funding reveal, I have advocated for funding level targets based on the number of low-
15 income customers in each utility's service territory, the number of homes needing
16 weatherization (i.e., the "waiting list") identified in my testimony, and poverty rates (my
17 calculation of the percentage of Idaho Power's low-income customers based on the
18 criteria used for determining LIHEAP eligibility (i.e., Federal Poverty Level and
19 percentage of state median income). I simply fail to understand how Ms. Donohue's
20 statement just quoted reflects anything other than the status quo. To that extent, it is
21 consistent with CAPAI's approach and is acceptable to CAPAI.

22 Q: On page 4, lines 21-23 Ms. Donohue states that "determining equitable funding levels is
23 complicated issue [sic] that would be best resolved through the previously mentioned
24 workshops." What is your response to this proposal?

1 A: CAPAI has always fully participated in relevant workshops and often collaborates with
2 Staff to achieve results that the Commission has ultimately found acceptable. CAPAI
3 does not, however, support deferring a resolution of WAQC funding in this case to future
4 workshops. Workshops can be an effective means of creative resolution to complex
5 issues.

6 In other situations, workshops might result in a substantive end result, but not
7 resolve anything from a practical standpoint. A good example of this is the generic,
8 multi-party low-income affordability case I've already discussed. Although many
9 encouraging conclusions and recommendations are set forth in Staff's final report, it is
10 difficult to state that the generic case directly resulted in any tangible end product. In
11 fact, Staff's position to defer ruling on WAQC funding now seems contradictory to its
12 final report in the generic case.

13 Where the parties to an issue have reached the type of impasse such as in this
14 case, however, a workshop simply results in the needless delay of achieving important
15 objectives. As I stated in my direct testimony, Idaho Power responded to CAPAI
16 discovery requests that it has not increased WAQC funding since its 2003 general rate
17 case because it has not been ordered to do so by the Commission. The Company remains
18 steadfast in this respect and, as I've noted above, Staff proposes addressing the issue of
19 WAQC funding through the use of the same criteria that it and CAPAI have been using,
20 and the Commission has been adopting since 2003.

21 There is no information that will be available in a workshop that hasn't already
22 been introduced into evidence in this case. It is CAPAI's position, therefore, that
23 deferring this critical low-income issue to workshops will result in continued impasse and
24 force CAPAI to file an entirely new proceeding seeking the same resolution it seeks from

1 the Commission in this case, entirely negating the value of CAPAI's efforts. I can see no
2 reason from either a factual or policy viewpoint to justify the scenario I just described.

3 Q: Has the Commission been presented with this scenario before?

4 A: Yes. In fact, this case is quite similar to Idaho Power's 2003 general rate case.¹ In that
5 case, the Commission, in Final Order No. 29505 issued May 25, 2004, noted Idaho
6 Power's position that "the rate case was not the appropriate proceeding to consider"
7 changes to the Company's WAQC funding and the Company "suggested that CAPAI's
8 proposals be addressed outside the rate case." *Order 29505, pp. 31-32*. The Commission
9 elected to not push the issue of low-income weatherization off into a separate proceeding
10 and, instead, ordered an increase to Idaho Power's funding level from roughly \$250,000
11 to \$1.2 million, the full amount of CAPAI's proposal, and increased the administrative
12 costs paid to CAPAI to implement the program. *Id., p. 32*. This proceeding presents the
13 same scenario and CAPAI submits that there is no reason to not resolve a fully-addressed
14 and familiar issue now and avoid requiring CAPAI to further invest its limited resources
15 in advancing the same arguments and presenting the same evidence put forth in this case
16 in a future proceeding that workshops will inevitably lead to. Had the parties to the
17 proposed settlement agreement been inclined to resolve this issue, there was ample
18 opportunity to do so. The fact that it wasn't settled casts serious doubt on whether
19 workshops will be able to accomplish what couldn't be during settlement.

20 **D. RMP 11-13 filing**

21 Q: On page 2, lines 16-19 of her rebuttal testimony, Ms. Donohue states that Staff has
22 "uncertainty regarding...[LIWA] program cost-effectiveness." Please describe CAPAI's
23 perspective of the basis for this contention.

24 ¹ Case No. IPC-E-03-13.

1 A: CAPAI believes that Staff's uncertainty is the result of, at least in part, the RMP 11-13
2 filing. Though CAPAI understands that Staff has desired a Commission-approved
3 methodology for evaluating the cost-effectiveness of LIWA for some time, Staff's
4 support of a LIWA funding increase for Rocky Mountain in the same year as its position
5 in this case strongly suggests that the RMP 11-13 filing was a trigger of sorts for Staff's
6 turn-around.

7 Initially, Rocky Mountain's filing caught CAPAI by surprise. Rocky Mountain
8 filed the 11-13 case on April 29, 2011, merely four months after the Commission had
9 approved a \$300,000 LIWA funding increase for the Company in its 2010 general rate
10 case in Interlocutory Order No. 321511 issued December 27, 2010 in Case No. PAC-E-
11 10-07 and increased the Company's investment on a per project basis from 75% utility
12 funds to a cap of 85%.

13 In the 2010 general rate case, CAPAI had proposed an increase to Rocky
14 Mountain's LIWA program of \$250,000. Staff, however, proposed an increase of
15 \$300,000. Furthermore, RMP was allowed continued recovery of its LIWA investment
16 by the Commission on the basis that the investment was reasonable. *Id.* RMP never even
17 suggested that the program was not cost-effective when its witnesses took the stand
18 earlier this year. The 2010 RMP general rate case is not even closed yet. Thus, there are
19 simultaneously pending two cases, one in which the Company contends, by inference if
20 not assertively, that its LIWA investment is reasonable and should be recovered through
21 rates, and one in which the Company contends that LIWA is not cost-effective and RMP
22 should be allowed to defer future cost-effectiveness evaluations.

23 CAPAI pointed out this inconsistency in its comments in the RMP 11-13 case and
24 the untenable position in which the Commission has been placed. From CAPAI's

1 perspective, the RMP 11-13 case unnecessarily taints the LIWA well. Staff itself pointed
2 out in the 2010 rate case that Rocky Mountain's cost-effectiveness evaluation of LIWA
3 was overdue. The Company's reaction, after being ordered to increase LIWA funding
4 and recover that investment through rates, was to file a case seeking what is essentially a
5 waiver of the requirement to conduct cost-effectiveness evaluations of LIWA. Instead of
6 supporting its request by legitimate facts, RMP performed an about-face and cast
7 unsubstantiated doubts about LIWA and asked the Commission to forgo an analysis of
8 whether LIWA is reasonable and prudent in the future. This is the awkward conundrum
9 that places the Commission in an untenable position.

10 Q: Is CAPAI aware of any factual occurrence in the four months from the issuance of the
11 2010 rate case order and the filing of the RMP 11-13 application that substantiates the
12 contention that LIWA is no longer cost-effective?

13 A: No. CAPAI simply cannot comprehend how a long-standing DSM program approved by
14 the Commission as reasonable and prudent could suddenly no longer be reasonable and
15 prudent. The only logical explanation is that the cost-effectiveness evaluation filed in
16 support of the RMP 11-13 application is simply inaccurate. But because Staff suddenly
17 seemed concerned about the LIWA program, CAPAI felt compelled to retain an expert in
18 the field of low-income DSM cost-effectiveness evaluations to assess LIWA. Again, that
19 assessment is on record in the RMP 11-13 case and CAPAI is confident that the RMP
20 LIWA program, when properly evaluated using appropriate criteria, will prove to be
21 reasonable and prudent as all parties and the Commission have believed it to be for years.

22 **E. Staff's Desire to Establish Evaluation Methodology No Basis to Defer Ruling**

23 Q. Beginning on page 6, line 2 of her rebuttal, Ms. Donohue outlines a number of
24 "problematic inconsistencies" among the three utilities' respective LIWA programs and

1 expresses a number of other concerns as a basis to oppose increased WAQC funding at
2 this time. Do you have a response to this?

3 A. Yes. First, I will address Ms. Donohue's statement that "[a] recent evaluation of Rocky
4 Mountain Power's low income program by an independent evaluator revealed problems
5 with program delivery, oversight, and possibly cost effectiveness." *Reb. Test. S. Donohue*
6 *p. 6, lns 3-6.* This is the RMP 11-13 case discussed elsewhere in my testimony. The
7 sudden collapse of what was deemed this very year to be a reasonable DSM investment is
8 curious at best, and most likely to somehow collaterally call into question Idaho Power's
9 WAQC program. As Ms. Donohue herself notes, "is it [sic: it is] clear that all three
10 utilities have very different standards for measuring energy savings, recording measure
11 level data, providing oversight of Community Action Partnership ('CAP') agencies, and
12 calculating cost effectiveness." *Id. at lns 8-12.*" To the extent that Staff wishes to
13 establish a cost-effectiveness evaluation method that is "reasonably similar"² CAPAI has
14 fully supported Staff's objective. This was covered in my direct testimony.

15 Q: Beginning on page 7 through page 8 Ms. Donohue outlines a number of technical
16 questions that Staff apparently wishes to resolve before WAQC funding changes can be
17 made. What is your response to these technical questions or issues?

18 A: Regarding Ms. Donohue's elaborate discussion of a myriad of "problematic
19 inconsistencies" or conceivable issues that exist in attempting to compare utility LIWA
20 programs, the overarching issue can be boiled down quite simply. When Ms. Donohue
21 critiques the basis of my direct testimony (on page 8 lns. 21-25 of her rebuttal) which she
22 notes includes poverty rates, the economy, the backlog of WAQC-eligible homes (i.e.,
23

24 ² *Reb. Test. S. Donohue, p. 5, ln 14.*

1 the "need"), she is simply listing the very things that she herself states on page 4, lines 5-
2 11 a funding decision should be based upon.

3 The point to bear in mind is that any perceived inconsistencies have likely been in
4 place for many years and have not prevented Staff from supporting or the Commission
5 from approving LIWA funding increases up until now. Staff is injecting new issues and
6 concerns for the first time in rebuttal testimony in a case that CAPAI participated in
7 settlement discussions to resolve its issues and clearly was not successful. It is patently
8 unfair to Idaho Power's low-income customers to switch horses in mid-stream when they
9 are receiving considerably less assistance through a viable DSM program than customers
10 of AVISTA or Rocky Mountain. The fact that Idaho Power's funding level has not been
11 increased for nearly a decade is reason enough to not defer into the indefinite future
12 possible increases.

13 Q: Do you necessarily dispute Ms. Donohue's list of stated differences between the three
14 LIWA programs and whether to reconcile them?

15 A: Not at all. I wish to emphasize that Ms. Donohue has clearly taken Staff's technical level
16 of analysis of LIWA to a new high watermark. This is both impressive and
17 commendable. CAPAI will certainly be willing to engage Staff in the many questions
18 Ms. Donohue identifies and do its best to assist Staff and each of the three utilities
19 involved in wading through and trying to come to resolution on those questions in the
20 future. CAPAI's position for this case, however, is that Staff is changing course fairly
21 radically from its prior approach to assessing the validity of LIWA funding increases. To
22 reinvent the wheel following on the heels of a recent near doubling of AVISTA's LIWA
23 funding level, the current state of the economy, the fact that it has been several years
24 since Idaho Power has filed a general rate case, the protracted attempts over the past

1 several years by CAPAI to reach an informal agreement with Idaho Power on increased
2 funding, and the fact that Idaho Power's funding has not increased in nearly a decade in
3 which its rates continued to rise and will possibly rise again in this case is what CAPAI
4 objects to. To put it mildly, Staff's change of course could not have been made at a worse
5 time.

6 Q: Ms. Donohue states that "Idaho Power has yet to complete a post implementation
7 evaluation of its low income weatherization program." *Id. at p. 6, lns 6-8.* Should this
8 result in postponement of a WAQC funding increase?

9 A: Absolutely not. Staff pointed out in the Rocky Mountain 2010 rate case that RMP was
10 considerably late in filing its evaluation which it finally did in the RMP 11-13 case. I
11 stated in my direct testimony that CAPAI is of the belief that Idaho Power does not
12 intend to file its evaluation until sometime in late 2012. Even if it were to commence
13 such an evaluation this instant, it would still take until well into 2012 to complete. Idaho
14 Power is obviously waiting for the Commission's final ruling in this and the RMP 11-13
15 case before it even commences its evaluation. By the time Staff's proposed workshops
16 are fully completed, Idaho Power's evaluation is completed, any proposed changes to
17 WAQC funding are filed, reviewed, approved by the Commission and implemented, it
18 will almost certainly be well into the year 2013 before any changes would be made to
19 WAQC funding. That is so far out into the future as to render it meaningless. By the
20 year 2013, the need for assistance through WAQC will have increased substantially
21 simply by virtue of the difficult economic conditions I discuss in my direct testimony.

22 Q: Has CAPAI previously expressed the objections you just outlined?

23 A: Yes. In both the RMP 11-13 case and the Rocky Mountain 2011 rate case, I expressed
24 deep concern over the domino effect that the RMP 11-13 filing might have. CAPAI was

1 immediately concerned about this consequence when it reviewed the RMP 11-13 filing
2 last spring and has shared that concern with Staff since that filing. What hasn't been
3 shared until rebuttal testimony in this case are Ms. Donohue's many technical queries and
4 a complete diversion from Staff's historic approach to the subject. CAPAI's deep
5 concerns have, unfortunately, fully proven out.

6 III. CONCLUSION

7 Q: Would you please summarize your testimony?

8 A: First, CAPAI wishes to express its appreciation for Staff's collective knowledge,
9 expertise, and support on low-income issues over the years. Nothing in my testimony
10 should be interpreted to the contrary. This is simply a case where CAPAI, for all of the
11 reasons I've stated, disagrees with Staff on some very significant issues of fact and
12 policy.

13 Q: Would you please sum up those issues?

14 A: CAPAI still believes that parity, the fundamental notion of fairness, should continue to be
15 a guiding principle for the Commission when establishing LIWA funding levels. It does
16 not need, and probably shouldn't be, the only guiding principle. CAPAI believes that
17 Staff has raised many legitimate inquiries that warrant further examination. CAPAI
18 strongly disagrees, however, that rebuttal testimony, filed shortly before a technical
19 hearing, is not the time or place for parting ways with the past. Furthermore, CAPAI
20 emphasizes the substantial period of time since Idaho Power's last funding increase, and
21 the fact that over the course of nearly a decade, AVISTA and Rocky Mountain have had
22 several funding increases and program design changes approved by the Commission.
23 CAPAI has been attempting to reach resolution with Idaho Power on this issue for some
24 time. To pull the plug on that process at this point would not be the wisest course of

1 action, particularly considering that realistically, the result of Staff's procedural proposal
2 would be to push off WAQC funding for well into the future.

3 CAPAI believes that pushing this issue into the uncertain future would have
4 profound consequences for Idaho Power's low-income customers during these
5 extraordinarily trying times. CAPAI respectfully submits that the Commission should
6 approve its requested funding increase to WAQC of \$1.5 million bringing the Company
7 into parity. The Commission could then order the parties to engage in workshops to
8 resolve the many new issues raised by Staff in rebuttal without depriving low-income
9 customers of any form of increased assistance since 2003.

10 Q: Does that conclude your surrebuttal testimony?

11 A: Yes it does.

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CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on the 28th day of November, 2011 I served a copy of the foregoing document on the following by electronic mail.

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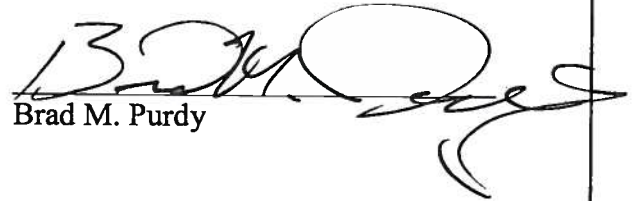
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