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IDAHO PUBLIC UTILITIES COMMISSION

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**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE APPLICATION	)	
OF IDAHO POWER COMPANY FOR	)	CASE NO. IPC-E-11-08
AUTHORITY TO INCREASE ITS RATES	)	
AND CHARGES FOR ELECTRIC SERVICE	)	
TO ITS CUSTOMERS IN THE STATE OF	)	COMMUNITY ACTION
IDAHO	)	PARTNERSHIP ASSOCIA-
	)	TION OF IDAHO'S PETITION
	)	FOR INTERVENOR FUNDING
	)	
	)	

COMES NOW, the Community Action Partnership Association of Idaho (CAPAI) and, pursuant to Idaho Code § 61-617A and Rules 161-165 of the Commission's Rules of Procedure, IDAPA 31.01.01, petitions this Commission for an award of intervenor funding in the above-captioned proceeding.

**Rule 161 Requirements:**

Idaho Power Company is a regulated electric public utility with gross Idaho intrastate annual revenues exceeding three million, five hundred thousand dollars (\$3,500,000.00).

**Rule 162 Requirements:**

**(01) Itemized list of Expenses**

Consistent with Rule 162(01) of the Commission's Rules of Procedure, an itemized list of all expenses incurred by CAPAI in this proceeding is attached hereto as Exhibit "A." CAPAI seeks total funding of \$19,750.00.

**(02) Statement of Proposed Findings**

The proposed findings and recommendations of CAPAI are set forth in the direct testimony of Teri Ottens filed in this matter. CAPAI offers the following synopsis of its recommendations and involvement in this proceeding.

CAPAI opposes the settlement agreement executed by the other parties to this proceeding and is the only party to do so. CAPAI respectfully recommends that the Commission find that the settlement is not in the best interests of low-income customers as well as the residential class and all customers as a whole, without an increase to Idaho Power's low-income weatherization program (WAQC) of \$1.5 million.

For the reasons advanced during hearing and summarized below, CAPAI respectfully recommends that the Commission reject the proposed settlement or order that Idaho Power's WAQC funding be increased from its current level by \$1.5 million.

**(03) Statement Showing Costs**

CAPAI submits that its requested costs are reasonable in amount. CAPAI fully participated in every aspect of this case from its review of the Company's original filing through settlement negotiations to full technical hearing on the issues and concerns raised by CAPAI, covering a period in excess of seven months. CAPAI engaged in the service of and response to discovery, participated in settlement conferences, filed both the direct and surrebuttal testimonies of Teri Ottens and was briefing issues raised by motion the day prior to hearing. Because there are no government agencies or intervenors who regularly intervene in proceedings before this

Commission advocating the interests of the residential class exclusively, and because a rapidly increasing number of customers in that class are joining the ranks of low-income, the importance of this proceeding from CAPAI's perspective, was broadened in depth and scope.

Furthermore, the simultaneous pendency of four general rate cases and a case initiated by Rocky Mountain Power challenging the cost-effectiveness of all low-income weatherization programs have created an extremely important but challenging scenario for an intervenor with limited resources such as CAPAI. CAPAI considers this one of the most significant cases it has intervened in thus far since it first formally appeared before this Commission in Idaho Power's 2003 general rate case. As a result, CAPAI expanded its efforts substantially in this proceeding and incurred costs commensurate with those expanded efforts.

Though this petition is obviously limited to a request for costs incurred in this proceeding, CAPAI respectfully submits that the greater context surrounding this case should be taken into consideration when viewing the reasonableness of CAPAI's funding request. Though CAPAI was aware that Idaho Power, AVISTA, and Rocky Mountain Power (RMP) intended to file general rate cases earlier this year, it did not anticipate the nature of Rocky Mountain's filing in Case No. PAC-E-11-13 in which RMP, among other things, called into question the cost-effectiveness of its own low-income weatherization program. CAPAI did not anticipate the framing of RMP's application and the results of the study filed in support of the application (especially considering that the Commission had doubled funding for the program just months earlier), but was immediately concerned over what it correctly predicted would result in a "domino effect" by which the LIWA programs of both Idaho Power and AVISTA would be cast into doubt by implication as a result of RMP's filing.

Regarding the rate cases, CAPAI's paramount concern was Idaho Power's WAQC program and the fact that it had not received a funding increase in nearly a decade. The RMP 11-13 filing, particularly the timing of that filing, created a much more complex dynamic than would otherwise have existed. Because of its long-held belief that the Commission has considered relative parity in funding between the electric LIWA programs to be an important objective and principle, and for a variety of other reasons, it became immediately apparent to CAPAI last spring that intervention in all three electric rate cases was amply warranted, particularly if the RMP 11-13 filing had the anticipated effect that it did on the pending rate cases.

The challenge for CAPAI was heightened when Staff and all other parties agreed to settle both the Idaho Power and Rocky Mountain rate cases before CAPAI even had the opportunity to conduct discovery. CAPAI did join the AVISTA settlement because of that utility's LIWA funding level and other concessions it agreed to for its low-income customers. But with respect to the remaining two electric rate cases, CAPAI believed it was in a position where the stakes had been substantially raised and the circumstances compelled CAPAI to reject settlement in the Idaho Power and RMP cases and take its involvement to a higher level than in prior interventions.

The simultaneous pendency of multiple cases unfortunately did not create synergies in terms of the effort and costs invested in this case by CAPAI and its representatives, but actually increased those efforts and costs. This is due to the unique interrelationship between the cases regarding low-income issues and the fact that any action taken, strategy formulated or decision made by CAPAI and other parties in any of the pending cases, had a complex and unpredictable ripple effect on the other cases.

Regarding the scope and depth of its involvement in this case, CAPAI strived not to offer expert opinions on issues such as revenue requirement, rate of return, rate spread or rate design, but to discuss issues from the perspective of many customers, low-income and non-low-income alike. CAPAI is concerned that many customers carry a perception that there currently is a trend in which utilities file general rate cases nearly every year seeking increases greater than they are likely to receive, enter into an expedited settlement process, then seemingly make substantial compromise by reducing their requests to a reasonable level.

Regarding issues most directly affecting low-income customers, CAPAI notes that WAQC is the only recourse that low-income customers have to shield themselves from constant and rapid rate increases. This lack of what CAPAI has urged is a fair, just and reasonable means of softening the blow of the requested rate increase was ultimately the reason that CAPAI could not justify joining in the settlement.

While CAPAI's involvement and positions taken in this proceeding might have put it somewhat on its own, CAPAI believes they were an essential counterpoint to the prevailing settlement and positions of the signatory parties. Regardless of the Commission's ultimate decision in this case, CAPAI represented a significant group of customers and offered a different perspective that hopefully contributed to the Commission's decision.

Regarding the costs set forth in Exhibit A, CAPAI notes that its legal counsel and expert witness on low-income issues charge rates that are quite low for their respective fields and levels of experience. Furthermore, these fees have increased only slightly over roughly the past eight years since CAPAI's first intervention before this Commission in Idaho Power's 2003 general rate case.

Because of CAPAI's limited resources and the difficulties of paying costs up front, CAPAI's attorney and low-income expert do not simply price their services at otherwise applicable market rates, but take into consideration the financial means of their client as a major factor. CAPAI respectfully submits that this results in intervenor funding petitions that are relatively modest under the circumstances. CAPAI submits, therefore, that the costs and fees incurred in this case, and set forth in Exhibit "A," are reasonable in amount.

#### **(04) Explanation of Cost Statement**

CAPAI is a non-profit corporation overseeing a number of agencies who fight the causes and conditions of poverty throughout Idaho. CAPAI's funding for any given effort might come from a different variety of sources, including governmental. CAPAI does not have "memberships" and, therefore, does not receive member contributions of any kind. Many of CAPAI's funding sources are unpredictable and impose conditions or limitations on the scope and nature of work eligible for funding. CAPAI, therefore, has relatively little "discretionary" funds available for all projects. Some matters before this Commission, furthermore, do not qualify for intervenor funding by virtue of their nature.

Regardless of what procedural course the Commission chooses in this case with respect to WAQC funding, CAPAI relies heavily on the economies of scale and potential for intervenor funding awards inherent in general rate cases. As noted in the direct testimony of Teri Ottens filed in this proceeding, the uncertainty of informal workshop proceedings, in terms of outcome, duration and whether intervenor funding will even be a possibility, caused CAPAI to consider it wise to fully air all of its issues in this proceeding, rather than defer to a potential proceeding sometime in the indefinite future. Though its involvement, and therefore costs incurred, in this

case were greater than in prior cases, CAPAI continues to believe that it is far more cost effective to intervene and participate in general rate cases and seek resolution of its issues.

Thus, were it not for the availability of intervenor funds and past awards by this Commission, CAPAI would not be able to participate in cases before this Commission representing an important and otherwise unrepresented segment of regulated public utility customers. Even with intervenor funding, participation in Commission cases constitutes a significant financial hardship because CAPAI must pay its expenses as they are incurred, not if and when intervenor funding becomes available.

**(05) Statement of Difference**

CAPAI believes it has helped create and maintain a positive working relationship with Staff since 2003 and that this relationship should and will continue. In this proceeding, however, it is quite clear that there were material differences between the respective proposed findings and recommendations of Staff and CAPAI.

**(06) Statement of Recommendation**

As already noted, CAPAI took on an expanded role in this case believing that the subset of customers it represents is increasing and includes those currently not considered "low-income" as that term is defined for the numerous purposes the Commission is well aware of, but who might qualify as such soon.

Furthermore, CAPAI has long submitted that providing assistance to a utility's low-income customers provides system-wide benefits in numerous respects including, but not limited to, the fact that low-income weatherization programs constitute cost-effective energy resources and that programs designed to assist low-income customers through education and by other means reduces the percentage of those customers who might be lost to the Company's system

due to inability to pay their bills. Therefore, the proposals and recommendations made by CAPAI are “of concern to the general body of utility users or consumers.”

**(07) Statement Showing Class of Customer**

To the extent that CAPAI represents a specific Idaho Power customer class, it is the residential class.

RESPECTFULLY SUBMITTED, this 13th day of December, 2011.

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Brad M. Purdy



## CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on the 13th day of December, 2011, served a copy of the foregoing document on the following by email and U.S. mail, first class postage.

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DATED, this <sup>yh</sup> 13 day of December, 2011

  
Brad M. Purdy

**EXHIBIT "A"**  
**ITEMIZED EXPENSES**

<b>Costs:</b>		
	Photocopies/postage	\$235.00
	<b>Total Costs</b>	<b>\$235.00</b>
<b>Fees:</b>		
	Legal (Brad M. Purdy –134 .00 hours @ \$130.00/hr.)	\$17,420.00
	Expert Witness (Teri Ottens – 42.0 hours @ \$50.00/hr.)	\$2,100.00
	<b>Total Fees</b>	<b>\$19,515.00</b>
	<b>Total Expenses</b>	<b>\$19,755.00</b>