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8 BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

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10 IN THE MATTER OF THE JOINT) CASE NO. PAC-E-07-05
11 APPLICATION OF ROCKY)
12 MOUNTAIN POWER FOR)
13 APPROVAL OF CHANGES TO ITS)
14 ELECTRICAL SERVICE SCHEDULES)
15)

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14 **COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO**
15 **DIRECT TESTIMONY OF**
16 **TERI OTTENS**
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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 PacifiCorp on behalf of CAPAI. CAPAI's participation in this proceeding reflects our
9 organization's view that low income people are an important part of PacifiCorp's
10 customer base, and that these customers will be adversely impacted by the proposed
11 changes to the Company's electric service schedules.

12 CAPAI is an association of Idaho's six Community Action Partnerships, the Idaho
13 Migrant Council and the Canyon County Organization on Aging, Weatherization and
14 Human Services, all dedicated to promoting self-sufficiency through removing the causes
15 and conditions of poverty in Idaho's communities.

16 Community Action Partnerships ("CAPs") are private, nonprofit organizations
17 that fight poverty. Each CAP has a designated service area. Combining all CAPS, every
18 county in Idaho is served. CAPS design their various programs to meet the unique needs
19 of communities located within their respective service areas. Not every CAP provides all
20 of the following services, but all work with people to promote and support increased self-
21 sufficiency. Programs provided by CAPS include: employment preparation and dispatch,
22 education assistance child care, emergency food, senior independence and support,
23 clothing, home weatherization, energy assistance, affordable housing, health care access,
24 and much more.

25 Q: Have you testified before this Commission in other proceedings?

1 A: Yes, I have testified on behalf of CAPAI in numerous cases involving PacifiCorp, Idaho
2 Power Company, AVISTA, and United Water. CAPAI participated in the recent
3 PacifiCorp general rate case and was a signatory to the settlement reached in that
4 proceeding, in the merger case and subsequent Rocky Mountain Power case filing. In
5 addition, CAPAI has also submitted comments in Intermountain Gas Company's PGA
6 filing.

7 Q: Why has CAPAI intervened in this particular proceeding?

8 A: CAPAI is concerned that the combined proposed increases in fee and rates will add to the
9 already unwieldy energy cost burden that low income families in Idaho face. This is of
10 significant importance to PacifiCorp's low-income Idaho customers and those who must
11 provide services to them.

12 According to the Department of Commerce in the State of Idaho, 12% of the
13 State's population, when using the 2000 Census, falls within federal poverty guidelines
14 and 21% fall within the state guidelines set at 150% of poverty levels. The 2000 Idaho
15 Census reveals that those living in poverty are categorized as 8.3% elderly, 13.8%
16 children, 8.3% all other families, 35.3% single mothers and 34% all others. In Idaho,
17 104,537 households representing 227,000 citizens were eligible in Idaho for energy
18 assistance and weatherization but only 31903 households statewide received LIHEAP
19 assistance in the 2004 heating season and only 1,395 homes received weatherization
20 services (356 in the Idaho PacifiCorp service area).

21 According to the Department of Energy, the "affordability burden" for total home
22 energy is set nationwide at 6% of gross household income and the burden for home
23 heating is set at 2% of gross household income. Idaho ranks # 4 in the nation with the
24 highest energy burdens. There is a gap of over \$50 million between what Idahoans can
25 afford to pay (based on federal standards) for energy in 2007 and what they actually paid.

1 Currently the LIHEAP program sends approximately \$11.3 million (for energy
2 assistance, weatherization and administration) to Idaho.

3 Q: How do these increases proposed by PacifiCorp directly impact its low-income
4 customers?

5 A. CAPAI cannot accurately assess the answer to this question. We have asked for
6 associated costs of impact upon low-income customers over the past three rate and
7 merger cases only to be told that PacifiCorp does not track these costs. In addition, the
8 testimony of witness Rockney, while indicating that costs have now been calculated that
9 relate to the disconnection of a customer for non-payment, the information does not
10 match earlier information provided by the Company in the recent "Low Income
11 Arrearage Study" (March, 2007, page 30), attached hereto as Exhibit _____. However
12 because we know that low income customers have a higher energy burden and that they
13 are the group of customers most likely to be disconnected due to non-payment,
14 particularly after the winter months when their burden is highest, that the impact or
15 increases fees will be significant upon this customer group.

16 Q. Why is the Company's proposal to recover collection costs from customers a concern to
17 CAPAI?

18 A. Low income customers already pay a far higher percentage of their income for energy
19 costs. They are also the group most likely to be caught in the bind of delinquent utility
20 payments, despite the existence of LIHEAP payments, since only 25% of those who are
21 eligible for energy payment assistance receive such support. Being able to come up
22 with the dollars or sponsors to cover the costs of reconnection has been a huge problem
23 for people who have been disconnected.

24 Q: So, in summary, do you support the request for changes to the electric service schedule,
25 particularly in regards to increases in fees?

1 A: No, we feel this request places undue burden upon the low income of Idaho and should
2 not be approved.

3 Q: Does that conclude your testimony?

4 A: Yes it does.

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