

Brad M. Purdy
Attorney at Law
Bar No. 3472
2019 N. 17th St.
Boise, ID. 83702
(208) 384-1299 (Land)
(208) 384-8511 (Fax)
bmpurdy@hotmail.com
Attorney for Petitioner
Community Action Partnership
Association of Idaho

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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF PACIFICORP DBA ROCKY MOUNTAIN) CASE NO. PAC ~~E~~ 11-12
POWER FOR APPROVAL OF CHANGES TO)
ITS ELECTRIC SERVICE SCHEDULES) COMMUNITY ACTION
) PARTNERSHIP ASSOCIA-
) TION'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:

Rocky Mountain Power Company (RMP or 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."

(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 and were presented during the technical hearing conducted December 19, 2011. 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 and participate in the technical hearing accordingly. CAPAI respectfully recommends that the Commission find that the settlement, as written, is not in the best interests of low-income customers as well as the residential class and all customers as a whole.

As explained below, CAPAI respectfully recommends that the Commission reject the proposed settlement as proposed and order that RMP's LIWA funding be increased from its current level by \$77,517.00.

(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 the direct testimony of Teri Ottens and fully engaged in this proceeding as the only party to litigate contested issues before the Commission at 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 RMP challenging the cost-effectiveness of all low-income weatherization programs¹ have created an extremely important but challenging scenario for an intervenor with limited resources such as CAPAI. The foregoing collection of simultaneous proceedings has created what CAPAI considers the most significant moment in time in terms of its involvement before this Commission since CAPAI's first involvement in a 2003 general rate case.² As a result, CAPAI expanded its efforts substantially in this proceeding and incurred costs commensurate with those expanded efforts.

Though this petition is limited to this proceeding, an understanding of the greater context in which it was filed and processed is helpful to assess the reasonableness of costs incurred by CAPAI. Although CAPAI was aware that RMP, Idaho Power, and AVISTA 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. More specifically, CAPAI did not anticipate the framing of RMP's application in Case PAC-E-11-13 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

¹ Case No. PAC-E-11-13.

² Case No. IPC-E-03-13.

correctly predicted would result in a "domino effect" by which the LIWA programs of not only RMP, but Idaho Power and AVISTA as well would be cast into doubt by implication as a result of RMP's 11-13 filing.

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 RMP 11-13 filing, particularly the timing of that filing, created a much more complex dynamic than would otherwise have existed and had the effect of compounding, rather than reducing, CAPAI's costs for each case it intervened in.

The challenge for CAPAI was heightened when Staff and all other parties agreed to settle both the RMP and Idaho Power 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 and take its involvement to a higher level and broader scope than in prior interventions.

Unfortunately, the simultaneous pendency of multiple cases did not create synergies in terms of the effort and costs invested in this case by CAPAI and its representatives in this and the other cases mentioned, 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 those 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 and settlement process not open to the public, then seemingly make substantial compromise by reducing their requests to a more reasonable level.

As noted in the testimony of Teri Ottens RMP in particular has engaged in a pattern of filing general rate cases every year. This pattern appears likely to continue into the indefinite future. For example, RMP has filed general rate cases in 2005, 2007, 2008, 2009, 2010 and 2011. Though the settlement agreement reached in this case covers two years, it provides RMP roughly the entire 15% increase it requested in this case. There is every reason to believe that RMP will simply file another rate cases sometime in mid-2013 seeking a 2014 general rate increase, and the pattern will continue.

Another concern, and partial basis for CAPAI's decision not to join the settlement, is what CAPAI perceives as the recurrent acceptance by Staff and other parties of "black box" settlements which, from the perspective of low-income customers, is a secretive process resulting in a customer base that is largely uninformed as to the reasons for annual rate increases. In fact, the RMP settlement does not state any particular rate of return, and does not even provide a

revenue requirement increase. It simply provides for a 15% rate increase over the next two years.

Regarding issues most directly affecting low-income customers, CAPAI notes that low-income customers generally have less ability to control their energy consumption and bills and that a low-income weatherization program presents one of the few means in which they have some degree of control over. Without an increase in this case to RMP's LIWA program funding, CAPAI argues, there is no offset to incessant rate increases which disproportionately affect the most vulnerable segment of RMP's customer base. 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 primary reason that CAPAI could not justify joining in the settlement.

Regarding RMP's LIWA funding, CAPAI offers a comparison of the funding of LIWA programs for RMP, Idaho Power and AVISTA. Ms. Ottens attempts to do this through a per capita funding comparison that divides total LIWA funding by the number of residential customers for each of the three utilities. Other parties either reject CAPAI's comparison in principle, criticize its accuracy without offering any specific alternative, or took no position at all on the issue recommending that the matter be deferred pending the outcome of non-specific "workshops." Based on Ms. Ottens' calculations, CAPAI recommends that the Commission order a funding increase to RMP of \$77,516.00.

Regarding the issue of continued funding for RMP's low-income conservation program, an unresolved issue from RMP's 2010 general rate case, the Commission stated an expectation in this proceeding. RMP has expressed a willingness to further discuss continuation of the program based on further discussions between the Company and the Community Action Agencies as to

their respective need and capacity for the program. CAPAI agrees that this is a reasonable approach to resolving the issue.

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 it has extremely limited financial means for involvement before the PUC. Furthermore, it pays its representatives as costs are incurred. Because of this, CAPAI's legal counsel and expert witness have priced their services at rates substantially less than market rates for their respective fields and levels of experience. Furthermore, these fees have increased only slightly, if at all, over roughly the past eight years since CAPAI's first intervention before this Commission.³ Finally, CAPAI also goes to considerable length to minimize its costs not related to legal or expert assistance.

CAPAI respectfully submits that this results in intervenor funding petitions that are 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

³ Case No. IPC-E-03-13.

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.

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.

Intervenor funding is the only means by which CAPAI has been and will continue to be able to participate in proceedings before this Commission and represent the interests of a significant number of important utility customers who otherwise do not have a voice.

(05) Statement of Difference

There are material and substantial differences in the positions taken by CAPAI and the Commission Staff. CAPAI opposes the proposed settlement, proposes increasing LIWA funding and proposes increasing that funding now, as opposed to engaging in future workshops.

(06) Statement of Recommendation

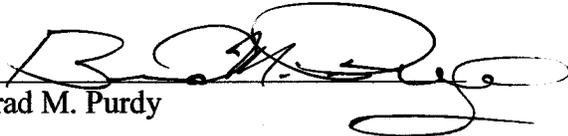
CAPAI asserts that all cost-effective DSM programs are in the best interests of the general body of any regulated public utility. RMP's LIWA program is no different in that respect. CAPAI is confident that LIWA is and will continue to prove to be a cost-effective DSM program benefitting all RMP ratepayers. Low-income DSM provides an additional benefit to all customers because of the many non-energy benefits resulting from the program such as reduced

arrearages, reduced debt collection and bad debt write-offs, and improving cash flow. These benefits result in lower rates for all other customers.

(07) Statement Showing Class of Customer

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

RESPECTFULLY SUBMITTED, this 23rd day of December, 2011.


Brad M. Purdy

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on the 23rd day of December, 2011 I served a copy of the foregoing document on the following by electronic mail and U.S. postage, first class, pre-paid.

Ted Weston
Rocky Mountain Power
201 South Main, Suite 2300
Salt Lake City, UT 84111
ted.weston@pacificorp.com

Daniel E. Solander
Rocky Mountain Power
201 South Main, Suite 2300
Salt Lake City, UT 84111
daniel.solander@pacificorp.com

Data Request Response Center
PacifiCorp
825 NE Multnomah, Suite 2000
Portland, OR 97232
datarequest@pacificorp.com

Neil Price
Deputy Attorney General
Idaho Public Utilities Commission
472 W, Washington (83702)
P0 Box 83720
Boise, ID 83720-0074
neil.price@puc.idaho.gov

Randall C. Budge
Racine, Olson, Nyc, Budge & Bailey
201 E. Center
P0 Box 1391
Pocatello, ID 83204-1391
E-Mail: rcb@racinelaw.net

Brubaker & Associates
16690 Swingley Ridge Rd., #140
Chesterfield, MO 63017
bcollins@consultbai.com

James R. Smith
Monsanto Company
P.O. Box 816

Soda Springs, ID 83276
Jim.r.smith@monsanto.com

Eric L. Olsen
ASSOCIATION, INC: Racine, Olson, Nye, Budge & Bailey
(Exhibit Nos. 30 1-400) 201 E. Center
P0 Box 1391
Pocatello, ID 83204-1391
elo@racinelaw.net

Anthony Yankel
29814 Lake Road
Bay Village, OH 44140
tony@yankel.net

Benjamin J. Otto
Idaho Conservation League
710 N. 6th St.
Boise, ID 83702
botto@idahoconservation.org

Ronald Williams
Williams Bradbury, P.C.
1015 W. Hays St.
Boise, ID 83702
ron@williamsbradbury.com

Don Schoenbeck
RCS, Inc.
900 Washington St., Suite 780
Vancouver, WA 98660
dws@r-c-s-inc.com

Tim Buller
Agrium, Inc.
3010 Conda Rd.
Soda Springs, ID 83276
TBuller@agrium.com

DATED, this 23rd day of December, 2011.



Brad M. Purdy

EXHIBIT "A"
ITEMIZED EXPENSES

Costs:		
	Photocopies/postage	\$562.00
	Total Costs	\$562.00
Fees:		
	Legal (Brad M. Purdy –159.00 hours @ \$130.00/hr.)	\$20,670.00
	Expert Witness (Teri Ottens – 60.0 hours @ \$50.00/hr.)	\$3,000.00
	Total Fees	\$23,670.00
	Total Expenses	<u>\$24,232.00</u>