

✓ Gen Hake
sent 5/21/08

✓ To A.V.

✓ To Commes.
; H

W. W. GOLLIN
P O BOX 417
HOPE, IDAHO 83836

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08 MAY 15 AM 8:17

IDAHO PUBLIC
UTILITIES COMMISSION

Idaho Public Utilities Commission
P O Box 83720
Boise, Idaho 83720-0074

Subj: Avista Rate Increase Request

Ref: Case Number AVU-E-08-01

Gentlemen/Ladies:

Attached to this letter are 3 comments in opposition to the Avista request for a rate increase. I offer each comment on a separate page so that each point can be considered individually. I have made some estimates as to incomes and dates, but I presume you will have up to date data that will correct my estimates but will not disqualify them.

In rejecting the request by Avista, I presume that you will be exercising the desires of the consumers as opposed to the wishes of the supplier. And, I also presume that you will be able to exert some of the powers, which you can exert to insure that the citizen consumers in Idaho will get not the usual but improved services that Avista should be offering.

Sincerely,


W.W. Gollin

Attachments---3

GOLLIN
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Avista rate increase request number AVU-E-08-01

COMMENT #1

The basis for an increase is incorrect. I presume that Avista offers a Profit statement that shows a need for higher rates. That Profit statement is prepared to show less than target profits. However, it includes the incomes of all persons, including the top personnel as a cost of doing business. The two top personnel are receiving incomes in the area of \$2,000,000.00 each. (Please insert the correct figures that should include incomes and perquisites) Notice that I indicate incomes rather than earnings or wages for work done. No one in their positions can earn that much money. They receive that amount of income because the money is there, not that it is earned. If they were really super managers (and they might be), they would be doing well to earn \$20,000.00 per month, or \$240,000.00 per year. The additional income they receive is really distribution of profits, which might be identified as dividends, which would make stockholders happy. The revised Profit statement would also enhance the value of stocks owned and increase their price on the market. By disallowing the difference between the \$240,000.00 per year for each and the \$2,000,000.00 presently offered as income expense, the commission will immediately increase the profits of the utility operations by \$1,520,000.00. That increase may very well obviate the need for any increase in rates.

I believe it is the function of the Public Utilities Commission to review the financial statements of the utility companies they deal with. Since the Commission is granting a monopoly, they must disallow abuses presented on the financial statements presented by the utility companies. By calling the distribution of money to certain top managers as wages earned is a blatant falsehood. For the Commissioners to allow such a falsehood to prevail is an abuse of the public trust.

In disallowing such a presentation of figures, the Commission will obviously generate a rebuttal from the utility company. They will offer similar incomes to all kinds of CEO's and other managers. But, they cannot be compared to incomes of officials in companies dealing with individual buyers. In those cases, the buying public determines the amount of money available. In the case of utilities, the buying public is exposed to the proficiency of the Commission. And the Commission should exercise their authority by not accepting the statements of the utility companies as presented.



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Avista rate increase request number AVU-E-08-01

COMMENT #2

The increases requested appear to be an effort to offset higher basic material costs. We consumers are forever hit with higher costs, a procedure which companies use as easier than finding lower cost sources. As Commissioners, you should offer increases only after the utility companies have offered good faith proof that searches for more competitive costs have been conducted. Also, at the time of receiving a request for increase rates, the utility companies should be required to submit a documented program of seeking lower costs of basic materials and improving operational costs. After all, the function of good management is to furnish good product at reasonable costs and conduct continual efforts to improve product and service. If such a program is ongoing, such program should be presented to the rate paying public.

A handwritten signature in cursive script, reading "W W Gollin". The signature is written in black ink and is positioned in the lower-left quadrant of the page.

GOLLIN
P O BOX 417
HOPE, IDAHO, 83836

Avista rate increase request number AVU-E-08-01

COMMENT #3

A problem that has been with us since the mid 1800's exists in the distribution of electricity. We have fairly consistent power outages that really work a hardship on the consumers as well as the maintenance personnel. With a modest storm, some times light winds, or for no reason, the occasional tree decides to fall down. Often, the tree falls on the power line and an entire neighborhood is without electric power for a short time or for much longer times.

Back in the mid 1800's, when the west was being settled, it was much cheaper to hang electric lines from poles than to bury them. Digging a ditch was a manual operation that was much more expensive than hanging the lines from the poles. Also, the material used would not be conducive to planting the lines. Today, there is adequate material and technology to dig the appropriate ditches and plant the lines underground. The utility companies should be required to give good reason why they do not bury all their transmission lines. They plant gas lines so we know that the technology does exist for planting. They have adequate material, because every electric line from the edge of your property to the building serviced is underground. I have never lost power because of a planted electric line on my property, but I have lost power because of outages near and far from my residence.

Avista probably has assured the PUC that they will furnish a reliable service at a reasonable cost. But when the weather poses a potential problem and when the technology for overcoming that problem does exist, I see no reason for not putting all transmission lines underground. The only apparent reason that I see is that they don't have to do it.

Cost can not be a factor because there is enough money to pay executives millions of dollars as earned income when they should be bringing there companies up to date.

W W Gollin

✓ Ben Ask sent 5/21/08

✓ To A.V.

✓ To Comm. 9 H

May 12, 2008

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08 MAY 14 AM 8:08

V. L. Green

9085 W. Driftwood Dr.

IDAH0 PUBLIC UTILITIES COMMISSION

Coeur d' Alene

Idaho 83814

Idaho P U C
P. O. Box 83720
Boise.
Idaho 83720-0074

Dear Commission

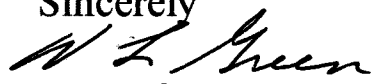
I understand that Avista Utilities is again asking to raise there natural gas rates in Idaho. This winter my gas bill for the last 6 months averaged \$ 146.00 just for gas to heat my house. This is just to much.

I read in the paper awhile back, that Avista wanted to have there investors receive 10 percent on there holdings. I also wish I could receive 10 percent on mine. Social Security doesn't give that kind of return.

I sincerely hope you consider the average people, when you decide if Avista should get another increase. They have had several increases in the last few years, with no increase in service to their customers, just increases in there rates.

Please vote no to any increases that Avista wants. Thank you.

Sincerely



V. L. Green

✓ Gen Ack sent 5/21/08
 ✓ To A.V.
 ✓ To Comm
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 IDAHO COMMISSION
 UTILITIES

Avista salaries increase in 2006

Compensation paid to top 5 Avista Corp. executives was \$2.28 per customer in 2006

By RICK THOMAS
 Staff writer

The top executives of Avista Corp. saw relatively small salary increases in 2006, but significant increases in pension and deferred compensation.

On Thursday, Avista filed its annual proxy report with the U.S. Securities and Exchange Commission, which included details of compensation paid to its top five executives.



Ely

Gary Ely, Avista's chairman of the board and chief executive officer, earned a total of \$3.3 million in 2006, which included a \$510,404 increase in the value of his pension plan.

"New regulations for disclosure were put in place in July," said Jessie Wuerst, communications manager for Avista.

In July 2006, the SEC adopted amendments to its regulations regarding corporate pay and proxy

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disclosures, the biggest changes in the regulations since 1992. The main change was including the adjustment in value of the officers' pensions and other deferred compensation.

"The only piece that's completely parallel is the base salary," Wuerst said.

Ely's base in 2006 was \$710,029, up from \$676,442 in 2005. He also earned \$1.3 million in stock awards, but 2006 will be the last year those accrue, as Avista stopped stock options to employees and executives at the end of 2002. They'll be replaced by performance shares based on stock value, said Linda Jones, director of corporate communications.

Aside from the increase in pension value, Ely's 2006 compensation increased by \$111,677, about 4 percent, to \$2.8 million from \$2.7 million in 2005.

"That's comparing apples to pears rather than apples to oranges," Wuerst said.

The 2005 total included the base, a \$510,159 bonus and \$1.5 million in shares, plus \$21,225 in miscellaneous compensation.

Values of deferred compensation were not previously reported, Wuerst said.

Malyn Malquist, Avista's executive vice president and chief financial officer, earned \$1.1 million, including a \$146,523 deferred compensation increase, up from \$840,654 in 2005, about a 13 percent increase not counting the deferred portion.

"They don't get any perks," Wuerst said. "No personal use of corporate aircraft, no country club memberships."

The bonuses paid to the executives were the result of Avista placing in the 68th per-

centile of performance among utilities over the past three years, Jones said.

"Customers do not pay our performance bonuses," she said. "Those are paid by shareholders."

Idaho's 187,533 customers paid a total of \$423,519 of the executives' compensation. The 368,754 Washington customers paid \$850,479, and 93,929 Oregon customers paid \$216,634.

Ratepayers contributed 62 percent, or \$1.2 million, of the \$1.9 million in total base salaries, and 16 percent, \$244,237, of the \$1.5 million total annual cash incentives.

Avista execs

Total 2006 compensation of top executives for Avista Corp., including salary, bonuses and increases in the value of deferred compensation, including pensions:

- Gary Ely, chairman of the board and chief executive officer: \$3,325,275
- Malyn Malquist, executive vice president and chief financial officer: \$1,096,256
- Scott Morris, president and chief operating officer: \$1,445,496
- Marian Durkin, senior vice president, general counsel and chief compliance officer: \$724,126
- David Meyer, vice president and chief counsel for regulatory & governmental affairs: \$692,620

The full SEC filing is available at the investor link at www.avistacorp.com, with the compensation summary on page 29.

All Nobody is
 Worth This Salary
 on our backs!
 they should Lower the
 Rates

Don't Let Avista
 increase our
 rates!



Larry Easterly
 309 E 13th Ave.
 Post Falls, ID 83854

Precision practice

3D competitions allow bowhunters to stay sharp

Outdoors, D1

coach Thacker Sports, B1

Avista execs' salaries drop

Investor targets were not met, so incentive payouts were reduced

By RICK THOMAS
Staff writer

Poor performance in the utility business meant a reduction in salary for most top executives of Avista Corp. in 2007.

The company filed its annual proxy statement with the U.S. Securities and Exchange Commission on Wednesday,

revealing its top executive's compensation was reduced by about one-third.

Gary Ely, Avista's former chairman of the board and chief executive officer through the end of the year, earned a total of \$3.3 million in 2006. That was reduced to less than \$2.2 million in 2007, largely as a result of a reduction in incentive pay and stock awards.

"It went down significantly because incentive pay is all performance based," said Jessie Wuerst, communications manager for the company.

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Ely's base pay of \$715,000 was slightly more than the \$710,029 of 2006, but stock awards dropped to \$803,677 from nearly \$1.3 million, and incentive pay dropped to \$98,456 from \$733,493.

Scott Morris, Avista's chairman of the board, president and chief executive officer since Jan. 1, saw an increase in base pay to \$452,461 from \$351,703 in 2006, but a reduction in incentive pay to \$43,146 from \$256,466 in 2006, while stock awards were only slightly reduced to \$324,792 from \$325,302.

His total compensation was slightly more in 2007 at just under \$1.7 million compared to \$1.1 million in 2006.

Malyn Malquist, Avista's executive vice president and chief financial officer, earned a total of \$799,360 in 2007, down from almost \$1.1 mil-

lion in 2006.

His earnings were affected mostly by a decrease in incentive pay to \$32,130 from \$239,369 in 2006.



Morris

"It was a less than ideal year for hydro (power)," Wuerst said. "We bought a lot of energy."

She said the company only achieved 45 percent of its goal to kick in higher levels of incentive pay.

"We barely made the trigger level," she said.

Incentives were based on customer satisfaction and targeted operations costs.

The investor-focused targets were not met, so the incentive payouts were reduced to reflect the portion of the incentive target not met.

Other executive pay included \$602,662 for Marian Durkin, senior vice president, general counsel

and chief compliance officer, down from \$724,126 in 2006.

Karen Feltes, in her first year as Avista's senior vice president and corporate secretary, earned a total of \$495,012, which included \$213,192 in base pay and \$188,393 in stock awards.

David Meyer, vice president and chief counsel for regulatory and governmental affairs, kept the same base salary of \$240,000, but total earnings went to \$502,874 from \$692,620.

His stock awards decreased to \$87,997 from \$168,868, while incentive pay dropped to \$14,688 from \$109,426.

Total executive compensation amounted to one-half cent per dollar of rates paid in Idaho, Wuerst said.

"In order to get the most competent people, and provide value for the investors, it is a balancing act between fair rates for customers," she said.

I hadn't had a raise in over 4 years - then when I did it was .02% - I got \$42.00 from Social Security then Medicare took \$96.00 from my Social Security check
Whitch way am I going?
They should lower the rates!



Larry Easterly
309 E 13th Ave.
Post Falls, ID 83854

Don't let AVISTA increase our rates! 15.9% Phooey!

✓ Gen Ack
sent 5/21/08

✓ To AV.

✓ To Commus.
§ H

Jean Jewell

From: frednlibbie@verizon.net
Sent: Tuesday, May 20, 2008 10:37 AM
To: Tonya Clark; Jean Jewell; Beverly Barker; Gene Fadness; Ed Howell
Subject: PUC Comment Form

A Comment from Frederick and Lorraine Meier follows:

Case Number: 133
Name: Frederick and Lorraine Meier
Address: 1428 West Linwood
City: Hayden
State: Id
Zip: 83835
Daytime Telephone: 208 762-3309
Contact E-Mail: frednlibbie@verizon.net
Name of Utility Company: Avista
Add to Mailing List: yes

Please describe your comment briefly:

The Avista utility Co has asked for another rate increase this year claiming various increased costs and nubulous and redundant need to improve equipment The same old story repeated twice a year to bleed the public for more money . They are rewarded for poor management and lack of foresight . There exhorbident salary to so called executives that walk around with a clipboard looking important is too much too often . Like so many who can take from the public in billions of dollars under the guise of management is irresponsible.

The form submited on <http://www.puc.idaho.gov/forms/ipuc1/ipuc.html>
IP address is 68.238.138.223
