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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NOS. AVU-E-19-04
OF AVISTA CORPORATION DBA AVISTA)	
UTILITIES FOR AUTHORITY TO)	COMMUNITY ACTION
INCREASE ITS RATES AND CHARGES FOR)	PARTNERSHIP ASSOCIATION
ELECTRIC SERVICE TO ELECTRIC SERVICE)	OF IDAHO'S PETITION TO
CUSTOMERS IN THE STATE OF IDAHO)	TO INTERVENE
)	
)	

COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO'S

DIRECT TESTIMONY OF WIL GEHL

IN SUPPORT OF PROPOSED SETTLEMENT STIPULATION

I. INTRODUCTION

Q: Please state your name and business?

A: My name is Wil Gehl. I am the Executive Director of the Community Action Partnership Association of Idaho (CAPAI), located at 3350 W. Americana Terrace, Suite 360, Boise, ID 83706.

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

A: The CAPAI Board of Directors asked me to present the views of an expert on, and advocate for, the low income customers of Avista in the context of Avista's pending General Rate Case.

Q: Are you offering any exhibits in this case?

A: No, I am not.

Q: What is your experience dealing with low income issues prior to becoming Executive Director of CAPAI?

A: Prior to serving as Executive Director of CAPAI, I ran a state-wide nonprofit organization in Wisconsin dedicated to low-income housing issues, predominantly in rural areas. The cost of essential utilities was a focus of my work on maintaining and increasing rental and owner-occupied housing affordability and stability. I worked directly on utility affordability issues, advocating on behalf of low-income household issues. I also managed Community Action programs such as do for CAPAI.

II. CAPAI'S BACKGROUND

Q: Please describe CAPAI's organizational structure and the functions it performs, relevant to its involvement in this case.

A: CAPAI is an association of the following private, nonprofit organizations that fight poverty in Idaho: 1) The Community Action Partnership (CAP-N & CAP-NC); 2) El Ada, Inc. (El Ada); 3) The Western Idaho Community Action Partnership (WICAP); 4) The South Central Community Action Partnership (SCCAP); 5) The Southeastern Idaho Community Action Agency, Inc. (SEICAA); 6) The Eastern Idaho Community Action Partnership, Inc. (EICAP); 7) The Community Council of Idaho, Inc. (CCI), and; 8) Metro Community Services (MCS), formerly named the Canyon County Organization on Aging, Weatherization and Human Services, Inc. The last two agencies, CCI and MCS, are designated in CAPAI's Bylaws as "special purpose agencies." These agencies are focused on providing services to migrant and senior populations, respectively. Collectively, the six Community Action Agencies (sometimes referred to as "CAPs") along with CCI and MCS are referred to as "member agencies." For the purposes of the Merger Stipulation at issue in this proceeding, there is no relevant distinction between a Community Action Agency and a special purpose agency.

Q: Do the collective agencies provide low-income services statewide?

A: Yes. Each member agency has a designated service area. Combining all agencies, every county in Idaho is served. The agencies design their various programs to meet the unique needs of communities located within their respective service areas. Not every agency provides all of the following services, but all work with people to promote and support increased self-sufficiency. Programs provided by CAPS include: employment

preparation and retention, education assistance, child care, emergency food, senior independence and support, clothing, home weatherization, energy assistance, affordable housing, health care access, and much more.

Q: What is the relationship between CAPAI and the member agencies?

A: CAPAI is effectively the umbrella organization that provides a myriad of services to the members to assist them in carrying out their individual missions throughout Idaho. Such services include training and technical assistance, coordination of resources, program planning and assistance with implementation, programmatic administrative oversight, and advocacy for the low-income in Idaho, among other things.

Q: Are the individual member agencies represented on CAPAI's Board of Directors and, if so, how?

A: Yes they are. Each agency has an Executive Director and its own Board of Directors that establishes policy for that agency. The Executive Director manages the day to day functions of the agency. In addition, each Executive Director of each member agency sits on the CAPAI Board of Directors. Thus, there are currently 8 CAPAI Board members.

Q: Which of the eight member agencies provide low-income assistance to Avista's service territory?

A: The Community Action Partnership ("CAP") serves North Idaho including all of Avista's Idaho service territory.

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

A: Technically, no, though I drafted CAPAI's comments filed in the Avista/Hydro One merger case (AVU-E-17-09) prior to the termination of the case.

Q: Would you please describe CAPAI's involvement in this case?

A: As explained in more detail later, CAPAI has participated fully throughout the entirety of this case, and fully participated in the two day settlement negotiations that led to the Settlement Stipulation being presented to this Commission for review.

Q: Is CAPAI a signatory to the Settlement Stipulation reached by the parties in this case?

A: Yes.

A. Does this conclude your testimony?

III. ESSENTIAL ELEMENTS OF SETTLEMENT

Q: Please identify those aspects of the Settlement Stipulation that were of greatest importance to CAPAI in terms of Avista's low income customers:

A. Rate Decrease:

A: Obviously, the fact that the Residential Class is receiving a rate decrease when the Company initially sought a rate increase for all classes is of tremendous importance to CAPAI.

B. Cost of service:

Q: What are your thoughts regarding the fact that certain customer classes will receive a greater rate reduction than the Residential Class?

A: Well, obviously the fact that Avista was seeking a rate increase but ultimately agreed to an overall rate reduction is something that most every Avista ratepayer will appreciate. Due to cost of service adjustments, however, not all parties received the same rate reduction. For example, the Residential Class received a lesser rate reduction than certain other customer classes. The reason for this is that it was apparent that certain customer classes were previously paying more than their share of overall revenue requirement based on cost of service disparities.

Q: Was a formal cost of service model run in this case?

A: Not to my knowledge. Staff noted that this case provided a good opportunity to move certain classes toward their cost of service. As stated, that means that other classes will receive a lesser amount of rate decrease, including the Residential Class as evidenced by the Settlement Stipulation on file with the Commission.

Q: Does this concern you?

A: Not under the circumstances of this case. There are classes who clearly are paying more than their share of cost of service and a case resulting in a rate decrease seems an ideal time to bring those classes closer to their share of cost of service while the Residential class will still receive a rate decrease.

C. Basic (monthly) Customer Charge:

Q: What is your position on keeping the basic charge at its current level?

A: It is difficult to analyze the impact of changes in the basic charge on the members of the Residential Class without proper data. For the low income members of the Residential Class, an increase in the basic charge will affect customers differently based upon their electricity consumption.

Q: Does CAPAI intend to analyze this issue in the relatively near future?

A: Yes, it is our intention, hopefully with assistance from Avista, to analyze the usage behavior of Avista's low income customers and then develop a model that can increase or lower the basic charge and then calculate how that affects low income customers compared to other members of the Residential Class. Obviously, some low income customers are extremely frugal in their use of electricity while others' usage, due to substandard housing or larger family size, might be substantially greater. A model that

can determine how the residential class is affected by a change in the customer charge would be of considerable importance in our attempt to gain a better understanding of the basic charge.

Q: Does CAPAI accept maintaining the basic charge at its current level:

A: Yes. Until better data is available, as I just described, it makes the more sense to leave the basic charge where it is for now.

D. Low Income Weatherization

Q: What is your position on Avista's agreement to increase its Low Income Weatherization funding by \$50,000.

A: CAPAI is obviously pleased by the Company's commitment. In that regard, I would like to emphasize that Avista has been a good partner to work with in addressing the increasing disparity between the need for low income weatherization and available resources to provide it.

Q: What is your assessment of the disparity of Avista's low income customers who need weatherization assistance and available funding?

A: There are a considerable number of low income customers, who are otherwise eligible for LIWA funding, who do not receive LIWA funding due to a lack of sufficient funding. Again, Avista has been very cognizant of this issue. CAPAI hopes to make greater inroads to increasing future funding resources.

E. Additional Conservation Funding

Q: What other aspects of the Settlement Stipulation affected CAPAI's decision to join the proposed Settlement Stipulation in this case?

A: As stated in Section D(16)(a) of the Settlement Stipulation, CAPAI will be included as a participant in the Energy Efficiency Assistance Fund (“EEAF”) designed to provide “additional funding for projects that are not otherwise fully funded through existing energy efficiency incentives, or do not otherwise qualify for traditional energy efficiency funding,” subject to the policies and decisions made by that group. This could possibly result in additional weatherization funding for Avista’s low income customer group.

IV. CONCLUSION

Q: What is your conclusion regarding the Settlement Agreement reached by the parties in this case?

A: CAPAI appreciates Avista’s willingness to continue supplementing its funding for low income weatherization, as well as to address the other issues raised by CAPAI during settlement negotiations. The Company has been very accessible and helpful to CAPAI in all proceedings before this Commission resulting in a settlement that I believe is fair, just and reasonable, and in the interests of the general body of Avista’s ratepayers.

Q: Does this conclude your testimony?

A: Yes it does.

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on the 31st day of October, 2019, I served a copy of the foregoing document on the following by electronic mail.

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