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IN THE MATTER OF THE APPLICATION)	
OF AVISTA CORPORATION FOR THE)	CASE NOS. AVU-E-08-01
AUTHORITY TO INCREASE ITS RATES)	AVU-G-08-01
AND CHARGES FOR ELECTRIC AND)	
NATURAL GAS SERVICE TO ELECTRIC)	PETITION FOR
AND NATURAL GAS CUSTOMERS IN THE)	INTERVENOR FUNDING
<u>STATE OF IDAHO</u>)	

COMES NOW, Petitioner 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.

Rule 161 Requirements

AVISTA is an electric/gas regulated, public utility with gross Idaho intrastate, annual revenues exceeding three million, five hundred thousand dollars (\$3,500,000.00).

(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

CAPAI's proposed findings and modifications to AVISTA's original application seeking approval of an increase to its electric and natural gas rates, filed in this case on April 2, 2008, are set forth in the pre-filed direct testimony of Teri Ottens, filed on behalf of CAPAI, as well as additional direct testimony given at the technical hearing in this matter conducted on August 28, 2008. They are also reflected in the proposed settlement agreement filed in this case and discussed below.

As the Commission is aware, all parties to this proceeding agreed to a proposed settlement agreement attached as "Attachment 1" to AVISTA's Motion for Approval of Stipulation filed with the Commission dated August 7, 2008. The issues pertinent to CAPAI's involvement are contained in Paragraphs 13 through 14(c) of the Stipulation.

Specifically, CAPAI proposed the following:

- (1) AVISTA currently funds its low-income weatherization program at \$350,000.00 per year. CAPAI proposed, and all parties agreed, to increase funding by \$100,000.00 for weatherization measures and an additional \$15,000.00 for administrative costs for a total increase to the program of \$115,000.00 for an overall funding level of \$465,000.00. AVISTA further agreed with CAPAI's proposal to revisit the funding level in the Company's next general rate case.
- (2) CAPAI proposed, and the parties agreed, to fund \$25,000.00 annually, for the purpose of underwriting the dedication of agency personnel to assist in low-income

outreach and education concerning conservation. The dollars will be funded through AVISTA's DSM Tariff Rider (Schedules 91 and 191), and is in addition to the \$465,000.00 funding for the Company's low-income weatherization program.

(3) Finally, CAPAI proposed, and the parties agreed, that AVISTA supports and will actively participate in any Commission-established workshops for the purpose of examining issues surrounding energy affordability and customers' ability to pay energy bills with respect to all jurisdictional utilities. As part of this process, AVISTA agreed to explore the feasibility of establishing a Low-Income Rate Assistance Program, or similar program, to assist low-income residential customers in Idaho.

All parties who participated in this proceeding agreed to the foregoing provisions resulting from the negotiations leading to the settlement in this case.

(03) Statement Showing Costs

CAPAI submits that the costs and fees incurred in this case, and set forth in Exhibit "A," are reasonable in amount, particularly in light of the substantial negotiations and unique provisions agreed to by all parties.

Considering the extent of the work involved, as detailed above, CAPAI submits that the amount of time expended and costs incurred were reasonable considering the outcome achieved, that all ratepayers have benefited from the aforementioned efforts by CAPAI.

(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. Many of

those funding sources, however, are unpredictable. Some contain conditions or limitations on the scope and nature of work eligible for funding. The cost to CAPAI of participating in this proceeding constitutes a significant financial hardship.

Had CAPAI not participated in this proceeding, it is likely that those interests would not have been fully and adequately represented. This necessitated incurring the costs sought by this Petition. Without assistance through the intervenor funding statutes and rules, CAPAI would be much more limited not only in the extent to which it participates in any given case, but whether it participates at all due to budget constraints. Intervenor funding helps to assure that issues of importance do not go unaddressed due to CAPAI's lack of financial resources.

(05) Statement of Difference

As indicated above, there were numerous issues raised and negotiated in this case. CAPAI largely took the lead, and made proposals not mentioned by Staff, on the issues identified in subsection (6) of this Petition. Thus, CAPAI took a materially different position than Commission Staff for purposes of intervenor funding.

(06) Statement of Recommendation

CAPAI's Statement of Recommendation has been previously stated in this Petition. In addition, while CAPAI's primary mandate and focus is to represent the interest of low-income individuals, it is safe to say that CAPAI's framing of the issues and advocacy was in the general interest of all ratepayers for the reasons stated below.

First, no party to this case, including AVISTA, challenged the validity of low-income weatherization as a cost-effective resource that provides system-wide benefits. Equally unchallenged is CAPAI's position that there are tangible, financial benefits to all

ratepayers when customers who are at the margin of being able to afford to pay their electric bill, remain customers due to various programs such as low-income weatherization and general DSM opportunities.

CAPAI's position that additional homes in AVISTA's service territory would qualify for and benefit from weatherization if additional funding were available also went unchallenged. As a cost effective resource, funding additional homes will aid in diminishing the energy burden that low-income customers simply cannot afford to live with, especially in light of frequently increasing utility costs and the general state of the economy at this time.

CAPAI takes the same position with respect to weatherization funding that AVISTA has agreed to fund a low-income, educational, conservation program, initially funded in the amount of \$25,000.00 annually. This program will help households who would not be served during the program year due to insufficient weatherization funding. During 2007, CAP's funding allowed it to weatherize 351 homes, while 8,231 households received Low-Income Home Energy Assistance (LIHEAP). While all 7,880 remaining homes may not need weatherization, it is well known that a significant majority do. This conservation and minor weatherization instruction funding will help close the gap and allow a portion of the un-weatherized households to reduce their energy burden and better manage their energy costs.

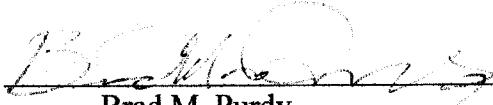
The purpose of this program will be to provide those customers for whom there is inadequate low-income weatherization funding, education as to measures or nature of their usage that they can implement at little or no cost. Needless to say, this too will constitute a very cost-effective DSM program, though it is far from providing additional

funding to provide weatherization to all low-income customers in AVISTA's service territory.

(07) Statement Showing Class of Customer

To the extent that CAPAI represented a specific AVIST customer class, it is the residential class.

RESPECTFULLY SUBMITTED, this 10th day of August, 2008.


Brad M. Purdy

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 11th day of August, 2008, I caused to be served the foregoing COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO'S PETITION FOR INTERVENOR FUNDING on the following via electronic transmission and U.S. postage, first class.

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Brad M. Purdy

EXHIBIT "A"
ITEMIZED EXPENSES

Costs:		
Photocopies/postage		\$40.00
Total Costs		\$40.00
Fees:		
Legal	(Brad M. Purdy 28 hours @ \$120.00/hr)	\$3,360.00
Total Fees		\$3,360.00
Total Expenses		\$3,400.00