✓Gen. Ack
Sent 3/31/09

✓To A.V.

✓To Commns.
; H

RECEIVED

2009 MAR 30 AM 8:27

IDAHO PUBLIC
UTILITIES COMMISSIO

March 27, 2009

AIG OOP's I mean
Avists Utilities
1411 E. Mission
Spokane, WA 99252

To the top 5 executives that received the LARGE incentive bonuses.

Your company has always appeared to me to be fair and honest with your customers. I along with others accept the rate increases as a necessary cost of doing business, which of course is how it is presented to us.

Now, I for one, am confused, disillusioned and bordering angry. Please help me understand why you are increasing your fees while you are having record profit years and are giving bonuses in exorbitant amounts.

Coeur d'Alene is such a wonderful place to live. I feel the people are honest, friendly and trustworthy. Your staff is all of those things, however, something is drastically wrong with this picture. Especially since you are the only game in town, which makes us captive, to whatever you want to do.

Thank you for your reply, which I will eagerly await.

Sincerely,

Linda Sorensen
2350 W. Fairway Drive
Coeur d'Alene, Idaho 83815
208-676-8456

cc: IPUC PO Box 83720, Boise, ID 83720-0074

# Avista executive pay rises

## Incentive payouts increase as revenue picks up

By BILL BULEY
Staff writer

**COEUR d'ALENE** — A good year for Avista Corp. in meeting its goals in 2008 resulted in more incentive pay for its top executives.

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


Morris

The total incentive pay in 2008 for five Avista executives was nearly $850,000, up dramatically from $135,000 in 2007.

The total compensation for Scott Morris, chairman

see AVISTA, A2

# AVISTA

from A1

of the board, president and CEO, was $2.7 million, almost double the $1.4 million he received in 2007. His base salary rose to $526,308, up from $452,461.

Jessie Wuerst, communications manager for the company, said Morris took a pay cut this last year as chairman of the board and CEO.

"With the promotions came a raise," she said.

Morris' stock awards totaled $[illegible], up from $324,792 last year, while his incentive pay was $[illegible], a jump from $[illegible] because "investor-focused targets" were not met.

The salary and compensation of other executives for 2008, when Avista had net income of $72.6 million, included:

■ Malyn Malquist, executive vice president and former chief financial officer, received a base salary of $[illegible], up from $350,000. The total comp package was $1 million, up from $799,360 last year.

■ Martin Durkin senior vice president and general counsel and chief compliance officer, earned a base salary of $273,075, up from $264,992 in 2007. Total compensation was $719,542, up from $[illegible].

■ Karen Feltes, senior vice president, was paid $2[illegible],077, up from $213,193. Her total compensation was $[illegible].

■ Dennis Vermillion, vice president and chief counsel for regulatory and governmental affairs, earned $240,000, with a total compensation of $519,930, up from $[illegible] in 2007.

While all four also received substantial increases in incentive pay in 2008 from the previous year, Wuerst said the long-term stock incentive awards are paid by shareholders, not Avista Utilities customers.

Wuerst said the salaries and compensation packages for Avista's executives fall into the mid-range of similar companies. They are necessary to be competitive in the marketplace and keep the best employees, she said.

Avista is proposing an electric rate increase of 7.8 percent and a natural gas rate increase of 3 percent in Idaho, but Avista points out that the amount of compensation included in rates for all of Avista's officers is about a half-cent of every dollar customers pay for energy.

Wuerst said there are several triggers regarding executive incentives.

"Executives' incentive compensation is customer-focused and performance-based. Customer service targets must first be met. Executive officers then must also meet investor-focused capital spending and earnings per share targets for a proportional payout of their annual cash incentive," an Avista report said.

Avista serves 121,000 electric and more than 93,000 natural gas customers in Idaho.

✓Gen Ack sent 3/31/09 ✓To A.V. ✓To Commis. & H

March 26, 2009

RECEIVED
2009 MAR 30 PM 2:52
IDAHO PUBLIC
UTILITIES COMMISSION

Idaho Public Utilities Commission
PO Box 83720
Boise, ID 83720-0074

Re: Avista Rate Increase Request

To Whom It May Concern:

Enclosed are copies of my power bill showing rate increases in both October and November of 2008. Also, I have enclosed a copy of the front page of the March 25, 2009 local newspaper announcing **BIG** pay incentives and bonuses. When is enough, Enough? Average incomes are down, wages are down, people are losing their jobs and Avista wants another rate hike! My income will drop by approximately 50% this year. My mother is on fixed income and can barely make her payments as it is.

Sincerely,

Murry Butler

Murry Butler
(an Avista customer - tired of being gouged by high income executives!)

**Account Number:** 570007031
Paystation Code: 0
Billing Date: 10/16/08
**(800) 227-9187** **www.avistautilities.com**

STEVE K BUTLER
169 RED CLOVER LN
KOOTENAI, ID 83864

10/22/08
7841

## Account Summary

| | |
|---|---|
| **Previous Balance** | **$40.96** |
| Payment(s) Received through 10/16/08 - Thank you | -40.96 |
| Subtotal | 0.00 |
| **New Charges - Due By 11/03/08** | **$66.22** |
| **Total Amount Due** | **$66.22** |

A LATE FEE OF 1% MAY BE ADDED TO PAST DUE BALANCES
YOUR ELECTRIC BILL INCLUDES FEDERAL COLUMBIA RIVER BENEFITS SUPPLIED BY BPA.

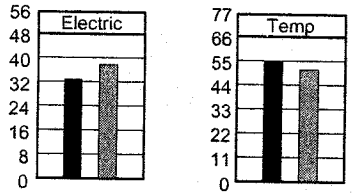
Message Center

## Every Little Bit

When it comes to energy efficiency, every little bit adds up. To see what you can do, visit www.everylittlebit.com

## Your Usage Profile

Log on to our Web site for a detailed overview of your usage.




■ Current Period ▒ This Period Last Year

| Average Daily Usage | 10/08 | 10/07 |
|---|---|---|
| Electric (kWh) | 33 | 38 |
| Temp (° F) | 55 | 51 |

## Current Reading Information

| Read Date | Type of Service | Meter Number | Rate Sch | Meter Reading Previous | Meter Reading Current | Read Type | Meter Multiplier | Energy Usage | Amount($) |
|---|---|---|---|---|---|---|---|---|---|
| 10/14/08 | Electric | 12088020 | 001 | 37637 | 38597 | Actual | 1 | 960 | 66.22 |

## Current Charges Detail

Service 09/15/08 to 10/14/08 - 29 Days

**Electric Meter Number: 12088020**

| | | | | | | |
|---|---|---|---|---|---|---|
| Energy Usage First 290 kWh | 289.65510 | Kilowatt hours | X | .06689 | $19.38 | Rate Change |
| Energy Usage 291-463 kWh | 173.79310 | Kilowatt hours | X | .07553 | 13.13 | Rate Change |
| Energy Usage 464-774 kWh | 310.34480 | Kilowatt hours | X | .05636 | 17.49 | |
| Energy Usage Over 774 kWh | 186.20690 | Kilowatt hours | X | .06406 | 11.93 | |
| Basic Charge | | | | | 2.22 | |
| Basic Charge | | | | | 2.07 | |
| | | | | **Current Charges** | | **$66.22** |

004606/004856 APN1EZ 004551 ETM1C001 12 6

▼ Please detach and return the bottom portion with your payment. ▼

**Account Number:** 570007031
Paystation Code: 0
Billing Date: 11/14/08
**(800) 227-9187** **www.avistautilities.com**

STEVE K BUTLER
169 RED CLOVER LN
KOOTENAI, ID 83864

11/25/08
ck 7878

## Account Summary

| | |
|---|---|
| **Previous Balance** | **$66.22** |
| Payment(s) Received through 11/14/08 - Thank you | -66.22 |
| Subtotal | 0.00 |
| **New Charges - Due By 12/04/08** | **$110.21** |
| **Total Amount Due** | **$110.21** |

A LATE FEE OF 1% MAY BE ADDED TO PAST DUE BALANCES

## Message Center

### Every Little Bit

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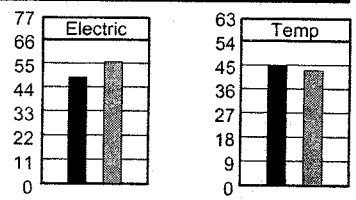


■ Current Period ▒ This Period Last Year

| Average Daily Usage | 11/08 | 11/07 |
|---|---|---|
| Electric (kWh) | 49 | 56 |
| Temp (° F) | 45 | 43 |

## Current Reading Information

| Read Date | Type of Service | Meter Number | Rate Sch | Meter Reading Previous | Meter Reading Current | Read Type | Meter Multiplier | Energy Usage | Amount($) |
|---|---|---|---|---|---|---|---|---|---|
| 11/12/08 | Electric | 12088020 | 001 | 38597 | 40025 | Actual | 1 | 1428 | 110.21 |

## Current Charges Detail

Service 10/14/08 to 11/12/08 - 29 Days

**Electric Meter Number: 12088020**

| | | | | | | |
|---|---|---|---|---|---|---|
| Energy Usage First 248 kWh | 248.27580 | Kilowatt hours | X | .07186 | $17.84 | Rate Change |
| Energy Usage 249-591 kWh | 342.62060 | Kilowatt hours | X | .08050 | 27.58 | Rate Change |
| Energy Usage 592-943 kWh | 351.72410 | Kilowatt hours | X | .06689 | 23.53 | |
| Energy Usage Over 943 kWh | 485.37920 | Kilowatt hours | X | .07553 | 36.66 | |
| Basic Charge | | | | | 4.60 | |
| | | | | | **Current Charges** | **$110.21** |

004506/004887 APN255 004454 ETM1C001 2 456

▼ Please detach and return the bottom portion with your payment. ▼

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GOOD MORNING!

Today is Wednesday

Rain, mt. snow possible

Highs 40s/A9

MARCH 25, 2009

VOL. 41 NO. 298

75 CENTS
NEWSSTAND

HOME-DELIVERED FOR 49¢ PER DAY OR LESS

# lsses inspection

reached
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n center.

The facility's deficiencies are hardly revelations, even to the youthful offenders who are being detained there, another inspector said.

Jim Crowley, a corrections department liaison for northern Idaho, said staff members do not have to rely on use of force and have a good rapport with inmates.

"That says a lot about the facility," said Crowley.

Commissioners have been pushing a plan to replace the detention center with an upgraded and expanded facility for more than a year.

See INSPECTION, Page 3

gic

# Avista Corp. incentive pay sees big jump

By BILL BULEY
Hagadone News Network

COEUR d'ALENE — A good year for Avista Corp. in 2008 resulted in more incentive pay for its top executives.

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

The total incentive pay in 2008 for five Avista executives was nearly $850,000, up dramatically from $135,000 in 2007.

The total compensation for Scott Morris, chairman of the board, president and CEO, was $2.2 million, almost double the $1.2 million he received in 2007. His base salary rose to $626,308, up from $52,461.

Jessie Wuerst, communications manager for the company, said Morris took on new titles last year as chairman of the board and CEO.

"With the promotions came a raise," she said.

See AVISTA, Page 3

# Applications available for Festival's Music Scholarship

SANDPOINT — Applications are currently available for The Festival at Sandpoint's annual Music Scholarship funded by Coldwater Creek.

All Bonner County high school instrumentalists (including public, private and home schooled students) are eligible to apply for the $2,500 scholarship, to assist them in their musical pursuits, including lessons, tuition, and instrument upgrades.

Priority is given to graduating seniors, who will be continuing their studies in music.

Scholarship candidates must complete a written application and participate in an interview process including a live audition. Applications are available at all Bonner County high schools as well as at the East Bonner County Library and The Festival at Sandpoint Office in the Old Powerhouse. Students may also print out an application online at www.FestivalAtSandpoint.com. The deadline to postmark and submit completed written applications has been extended to Friday, April 10th.

The winner will be presented with the scholarship at The Festival's Grand Finale Concert on Sunday, August 16th, at Memorial Field and will also have the honor of performing a solo at the concert.

"It is an important part of the Festival's mission to inspire, recognize and support the talented young musicians in our community," said Festival Executive Director Dyno Wahl. "We're glad that Coldwater Creek shares our commitment to local students."

Past scholarship recipients have included: Jason Moody (1998), Jared Brannon (1999), Rachel Taylor (2000), Jessica Hannah (2001), Emily Terrell (2001), Aryan Reiner (2002), Jennifer Lund (2003), Ben Lockwood (2004), Tracy Kutzleb (2005), Hailey Fuqua (2006), Pete Gibson (2007) and Erik Jansen (2008).

For more information, contact The Festival at Sandpoint office at (208) 265-4554.

# AVISTA

**Continued from Page 1**

Morris' stock awards totaled $620,897, up from $324,792 last year, while his incentive pay was $404,597, a jump from $43,196 in 2007 when "investor-focused targets" were not met.

The salary and compensation of other executives for 2008, when Avista had net income of $73.6 million, included:

■ Malyn Malquist, executive vice president and former chief financial officer, received a base salary of $362,115, up from $350,000. The total comp package was $1 million, up from $799,360 last year.

■ Marian Durkin senior vice president and general counsel and chief compliance officer, earned a base salary of $273,075, up from $264,992 in 2007. Total compensation was $719,542, up from 602,662.

■ Karen Feltes, senior vice president, was paid $238,077, up from $213,192. Her total compensation was $694,036, up from $495,012.

■ David Meyer, vice president and chief counsel for regulatory and governmental affairs, earned $240,000, with a total compensation of $519, 930, up from $502,874 in 2007.

While all four also received substantial increases in incentive pay in 2008 from the previous year, Wuerst said the long-term stock incentive awards are paid by shareholders, not Avista Utilities customers.

Wuerst said the salaries and compensation packages for Avista's executives fall into the mid-range of similar companies. They are necessary to be competitive in the marketplace and keep the best employees, she said.

Avista is proposing net electric rate increase of 7.8 percent and a natural gas rate increase of 3 percent in Idaho, but Avista points out that the amount of compensation included in rates for all of Avista's officers is about a half-cent of every dollar customers pay for energy.

Wuerst said there are several triggers regarding executive incentives.

Avista serves 121,000 electric and more than 93,000 natural gas customers in Idaho.

The Bonner County Daily Bee (ISSN 1047-6822). Published daily, except Monday, by Pend Oreille Printers, Inc., 310 Church St., P.O. Box 159, Sandpoint, Idaho 83864. Suggested rates for home delivery. Daily and Sunday by Carrier (for $3.25 per week) Saturday and Sunday (for $1.85 per week). By Motor Route Daily and Sunday )for $3.35 per week) Saturday and Sunday (for $1.85 per week). By Motor Route Daily and Sunday (for $3.35 per week), (All Tax Included) By Mail Daily

✓ No name or address provided ✓ To Commis & H

Idaho Public Utilities Commission
472 W. Washington Street
Boise Idaho 87370

(800) 432-0369

PLEASE...NO more rate increases!



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By BILL BULEY
Staff writer

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The total compensation for Scott Morris, chairman

see AVISTA, A2

Coeur d'Alene Press
201 N. 2nd Street
Coeur d'Alene, Idaho 83814
(208) 664-8176

## AVISTA

from A1

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Avista serves 121,000 electric and more than 93,000 natural gas customers in Idaho.

✓Gen Ack sent 3/31/09 ✓To Commrs. ; H

**Jean Jewell**

**From:** Gene Fadness
**Sent:** Monday, March 30, 2009 4:46 PM
**To:** Jean Jewell
**Subject:** FW: Consumer Complaint/Inquiry Form

-----Original Message-----
From: Front
Sent: Monday, March 30, 2009 8:04 AM
To: Gene Fadness
Subject: FW: Consumer Complaint/Inquiry Form

-----Original Message-----
From: bullockruth@hotmail.com [mailto:bullockruth@hotmail.com]
Sent: Saturday, March 28, 2009 2:27 PM
To: Front; Beverly Barker; Ed Howell
Subject: Consumer Complaint/Inquiry Form

A Complaint/Inquiry from ruth & richard bullock follows:

---

Name: ruth & richard bullock
Contact E-Mail: bullockruth@hotmail.com
Daytime Telephone: 208 4483409
Home Address: 224 riversong lane box 45
City: priest river
State: ID
Zipcode: 83856
If this concerns a Business, Business Name:
Business Address:
Business Phone:
Name of Utility Company: avista
Have you contacted the utility regarding your concern?: yes

Please describe your question or complaint briefly:

Apparetly Avista has raised thier rates without notification of intent. In this time of terrible hardship, I can not understand their reqiest, much less their ability to receive an increase. Several months ago, I sent in a request to have them lower their rates and was ignored. There is only a minor difference between the morality of raising rates of a utility that has a monopoly and the banks that are being bailed out. The large conglomerates steal money from the taxpayers though bailouts because they are 'to big to let fail', and Avista appropriates millions directly from the users because they are a monopoly. We have no say in the matter. The executavies of all garner huge MILLION dollar salaries plus BONUSES and other perks. Those of us on ordinary and often fixed incomes, who do not have the organization and incomes to hire high priced lawyers are left with swollowing whatever they choose to do. It is obscene that the Commission should have blessed this unwarranted and CRUEL increase. Lowering the rates would have been a more just.

Avista wrote a letter to the community telling us how much they were 'concerned with the people of the community.' What a cruel and obscene act as directors trot off to play in the sand. We are outraged!!! And outraged at the commission for letting it happen.

The form submitted on http://www.puc.idaho.gov/forms/cons/cons.html
IP address is 148.78.37.222
cons
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