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IDAHO PUBLIC
UTILITIES COMMISSION

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. AVU-E-15-05
OF AVISTA CORPORATION DBA AVISTA)	AVU-G-15-01
UTILITIES FOR AUTHORITY TO)	CAPAI PETITION FOR
INCREASE ITS RATES AND CHARGES FOR)	INTERVENOR FUNDING
ELECTRIC AND NATURAL GAS SERVICE)	
IN IDAHO)	
_____)	

COMES NOW, Petitioner Community Action Partnership Association of Idaho (CAPAI) and, pursuant to Idaho Code Section 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:

AVISTA is a regulated, electric and gas 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

CAPAI, along with every other party to this proceeding, agreed to the settlement and executed the Stipulation and Joint Motion accordingly. As with every settlement, there was compromise by all parties required in order to fully resolve the Company's filing. CAPAI believes that the Stipulation proposes terms that are far more favorable than those originally proposed in the Company's original application in this case and constitute a result that is fair, just and reasonable to all parties.

Some of the more compelling that CAPAI supports the settlement is the fact that Avista initially requested a two-year, two phase rate increase consisting of an increase to electric rates of \$13.2 million and an increase to natural gas rates of \$13.2 million (5.2%) and \$3.2 million (4.5%) respectively, to be effective January 1, 2016. The second phase of the rate increase would consist of an increase to electric rates of \$13.7 million (5.1%) and \$1.7 million (2.2%)

effective January 1, 2017. Thus, the two year rate increase would have totaled \$26.9 million for electric customers and \$4.9 million for gas customers. The parties further agreed to an authorized rate of return for Avista of 9.5% and a common equity ratio of 50.0%.

The settlement ultimately reached would result in a one phase increase to electric rates of \$1.7 million and \$2.5 million for gas rates representing a 0.69% and 3.49% increase, respectively. The rates, if approved, would become effective January 1, 2016.

Regarding rate base and rate design, the Company proposes a 25% move toward unity without adopting any particular cost of service methodology. Though this will result in a slightly higher rate increase for the residential class, it is based on cost of service data showing that the residential class is currently paying rates that are below its cost of service by more than the 25% movement toward parity proposed in the Stipulation.

The parties agreed that the increase in base revenues would be spread to all electric and gas schedules on a pro rate allocation of the Company's rate spread percentages from its original application. The settlement proposes that the revenue requirement for each electric schedule will be applied as a uniform percentage increase to each volumetric energy rate. Fixed monthly charges, including the Residential Basic Customer Charge, and fixed and variable demand charges will remain unchanged.

The settlement also proposes a fixed cost adjustment mechanism for Avista. Though it will be some time to determine the overall effects of this mechanism, the required reporting, auditing and monitoring safeguards seem adequate to ensure that the program operates as intended. In addition, the mechanism caps any year's FCA adjustment to 3% per ever rate group. It also might reduce the rate shock impact of large capital investments.

Finally, the Company has agreed to meet with CAPAI, Staff and all other interested parties no later than June, 2016 to discuss means by which to obtain better low income data including identifying an accurate methodology to identify the low income population of the Company's customer base, and identifying consumption tendencies of those customers. In addition, the Company has agreed to reassess its current Low Income Weatherization Assistance and Low Income Conservation Education programs, how to maximize their cost-effectiveness and what appropriate future funding levels could be reasonably justified.

CAPAI recommends, therefore, that the Commission approve the settlement agreement as proposed.

(03) Statement Showing Costs

CAPAI fully participated in this proceeding from preparatory work following receipt of the Company's Notice of Intent to File a General Rate Case to the drafting of this Petition and follow-up work including reviewing and interpreting the Commission's final Order and other wrap-up work for which CAPAI has never sought reimbursement.

CAPAI relies largely on federal funding. As the Commission is keenly aware, funding for all manner of entities, including CAPAI, has declined significantly in recent years. As a result, it has been necessary for CAPAI to reduce its personnel in order to remain a viable organization providing essential services to the individual Community Action Agencies. Although CAPAI has retained an expert witness on one or two occasions over roughly 13 years, it rarely has sufficient funding to do so. Consequently, CAPAI's expert witness is its Executive Director, Christina Zamora upon whom CAPAI relies heavily for all technical and policy aspects of this and any other IPUC case that CAPAI intervenes in. In that and every other respect, Ms. Zamora is a highly-qualified expert. Were CAPAI to track and bill her hours at anything

remotely resembling a modest market rate, CAPAI's funding requests would increase significantly. Despite the foregoing, CAPAI has never sought funding for Ms. Zamora's expertise and work she invests in cases before the Commission. In short, CAPAI has no choice but to be extremely frugal and to keep its costs at a minimum.

As stated, CAPAI participated in all aspects of this proceeding. By reviewing Avista's discovery responses, participating in settlement, both formal and via email and other means, and through extensive sidebar discussions with the Company, CAPAI was able to propose support of the Settlement Stipulation in this case. Although CAPAI's constituents are obviously low income customers, there is so little data enabling CAPAI to determine how many low income customers a given utility has, CAPAI must assume that the actual population is many times greater than simply those who currently receive some form of utility assistance, such as LIHEAP customers. Thus, CAPAI must consider the impacts of any proposed changes to a utility's rates, charges, and services on the residential class as a whole in order to ensure that those as-of-yet unidentified low income customers' interests are advocated for as well. Although Staff considers the interests of the residential class, so must it do for every class. CAPAI is the only party dedicated solely to low income customers known, and unknown, all of whom are residential class customers.

Finally, CAPAI notes that its legal counsel's stated rate is less than the average first year associate practicing in Boise, Idaho. CAPAI's counsel has 30 years of practice as an attorney, 25 years of which include public utilities work, one of the most highly specialized fields in the practice of law. Hourly rates for an attorney with commensurate experience in such a specialized area of practice in this market are at least 2-3 times what CAPAI seeks for recovery in its intervenor funding requests. Furthermore, in the roughly eleven years that CAPAI's legal

counsel has represented CAPAI in PUC proceedings, counsel has increased his rate only 2-3 times and, even then, only an overall total of approximately \$50/hour.

The work performed by CAPAI is more fully identified in general terms in Exhibit "A" to this Petition. For the reasons stated throughout this Petition, CAPAI respectfully submits that the costs it seeks to recover and set forth hereto 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. Although CAPAI does collect a small amount of membership dues, it utilizes federal funding to participate in advocacy activities regarding utility rate case increases. Many of CAPAI's funding sources are unpredictable and impose conditions or limitations on the scope and nature of work eligible for funding. As stated, CAPAI has experienced significant budget cuts in the past 5 or so years, requiring it to operate with less personnel. CAPAI, therefore, has relatively little "discretionary" funds available for all projects.

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.

(05) Statement of Difference

CAPAI was the only party to fully analyze everything from revenue requirement to rate spread and rate design as those areas of ratemaking affect residential, low-income customers and Avista's LIWA and Low Income Conservation Education program funding and waited until it

had completed its analysis before joining the settlement. Although Staff evaluates most areas of any given rate case, it chose to not weigh in on the low income issues agreed to in the Settlement Stipulation. Thus, CAPAI's recommendations and proposals were materially different from those of Staff for purposes of Rule 161(05).


(06) Statement of Recommendation

Avista's low income customers constitute a significant and increasing segment of the Company's residential ratepayers. In today's increasingly challenging economic times, issues affecting low income public utility ratepayers also become increasingly important. To the extent that low income customers are unable to reduce their energy consumption due to limited financial and other means and to the extent that the poor are most vulnerable to disconnection due to inability and failure to pay their bills, the costs of which would otherwise be passed on to all other customers, CAPAI's recommendations and involvement in this case clearly affects the general body of Avista's customers.

(07) Statement Showing Class of Customer

To the extent that CAPAI represents a specific customer class of AVISTA, it is the residential class.

RESPECTFULLY SUBMITTED, this 7th day of December, 2015.


Brad M. Purdy 

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on the 7th day of December, 2015, I served a copy of the foregoing document on the following by electronic mail and U.S. postage or hand delivery.

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Brad M. Purdy

EXHIBIT "A"
ITEMIZED EXPENSES

CAPAI'S SUMMARY OF WORK PERFORMED BY LEGAL COUNSEL

The following billing excerpts do not include all of the work performed by legal counsel as desire, but provide an overall sense of the nature of work performed each month.

May Invoice (for work performed during May):

Total Hours Worked: **8.5**

Nature of work: Numerous communications with Avista re its desire to conduct teleconference shortly after initial application is filed. Discuss general nature of application. Communications w/C. Zamora re her availability and potential issues to raise during rate case. Discussions with various Community Action Agency personnel re issues they would like addressed. Discuss logistics of proposed teleconference with David Meyer. Participate in teleconference with Avista. Draft summary of Company's proposal both in substantive and procedural respects. Share summary with C. Zamora.

June Invoice

Total Hours Worked: **8.3**

Nature of Work: Receipt and review Avista's rate case filing and all supporting testimony and exhibits. Meetings/teleconferences C. Zamora reviewing Company's proposal. Continue analyzing all testimony & exhibits supporting application. Conferences w/C. Zamora re whether to intervene in Avista case and objectives for doing so. Teleconferences with Avista personnel re CAPAI's areas of primary concern. Draft Petition to Intervene in rate case. Forward same to C. Zamora for review.

July Invoice

Total Hours Worked: **4.9**

Nature of Work: Review responses to discovery from Avista. Communications w/Company re scheduling settlement conference. Receipt numerous responses from other parties to Avista's proposed settlement conference. Preparation for Avista settlement conference. Receipt, review and reply to multitudes of objections, scheduling issues and revised date for settlement conference. Review numerous discovery responses from Avista.

August Invoice

Total Hours Worked: **2.0**

Nature of Work: Review proposed workshops in N. Idaho re Avista rate application. Receipt numerous discovery requests and responses. Communications/meetings C. Zamora to discuss status of case and formulation of CAPAI objectives. Communications w/Avista personnel re objectives. Receipt and review numerous discovery requests/responses.

September Invoice

Total Hours Worked: **6.8**

Nature of Work: Receipt and review numerous discovery requests and responses. Communications w/client prior to teleconference w/Avista. Detailed teleconference w/Avista re CAPAI's specific proposals for low income data collection and LIWA and Low

Income Conservation Education programs. Discuss specifics of same and sharing of ideas as to how to obtain desired data. Review LIWA cost-effectiveness evaluations performed by/for other utilities in Idaho and other states. Discuss CAPAI objectives w/Staff personnel. Receipt additional communications from Avista re settlement conference. Receipt//review additional discovery. Internal communications w/C. Zamora re all aspects of case. Research history of Avista's changes to basic monthly residential charge. Final preparation and participation in Avista settlement conference. Post-conference telephone call Avista re FCA details. Communications w/other parties re their positions on FCS, rate design and other issues. Participate in meeting to further discuss details of Avista's FCA mechanism. Numerous communications all parties re finalizing details of rough draft settlement agreement.

October Invoice

Total Hours Worked: **8.4**

Nature of Work: Receipt/review rough draft of settlement papers from Avista. Provide copy to C. Zamora and discussions re same including proposed timing of execution of Stipulation. Receipt/review multitudes of emails/phone calls re proposed edits to settlement, logistics of executing same, receipt of revised drafts of document, need to amend existing schedule to accommodate settlement. Telephone calls Avista personnel re confirmation of Company's agreement to include specific low income provisions in Stipulation agreed upon verbally. Meetings w/C. Zamora re her acceptance of Avista's proposed low income Stipulation language and all other aspects of settlement germane to CAPAI's interests. Numerous communications all parties continuing to change verbiage of Stipulation. Discuss Avista's intentions as to whether it intended to propose reinstatement of natural gas conservation program. Communications w/staff re pre-filing testimony in support of settlement stipulation and deadline for doing so.

November Invoice

Total Hours Worked: **7.9**

Nature of Work: Assist in drafting testimony of C. Zamora in support of settlement. Continued communications w/all parties re last minute issues and timing of testimony filing deadline. Finalize C. Zamora's Testimony in Support of Settlement Testimony. Receipt and review Joint Motion to reschedule case in light of settlement. Execute same. File testimony of C. Zamora. Preparation for and participation in Avista hearing before IPUC on settlement stipulation.

Total Hours Worked on Case **46.8**

Costs:

Photocopies/postage	\$52.15
Total Costs	\$52.15

Fees:

Legal (Brad M. Purdy – 46.8 hours @ \$150.00/hr.)	\$7,020.00
Total Fees	\$7,020.00

Total Expenses	<u>\$7,072.15</u>
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