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8 **BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

9 IN THE MATTER OF THE APPLICATION)
10 OF AVISTA CORPORATION DBA AVISTA)
11 UTILITIES FOR AUTHORITY TO)
12 INCREASE ITS RATES AND CHARGES)
FOR ELECTRIC AND NATURAL GAS)
SERVICE IN IDAHO)

CASE NO. AVU-E-17-01
AVU-G-17-01

13 **COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO'S**

14 **DIRECT TESTIMONY OF CHRISTINA ZAMORA**

15 **IN SUPPORT OF SETTLEMENT STIPULATION**

1 **I. INTRODUCTION**

2 Q: Please state your name and business address.

3 A: My name is Christina Zamora. I am the Executive Director of the Community Action
4 Partnership Association of Idaho at 3350 W. Americana Terrace, Suite 360, Boise, ID
5 83706.

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

7 A: The Community Action Partnership Association of Idaho (“CAPAI”) Board of Directors
8 asked me to present the views of an expert on, and advocate for, the low income
9 customers of Avista.

10 **II. BACKGROUND**

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

13 A: CAPAI is an association of the following private, nonprofit organizations that fight
14 poverty in Idaho: 1) The Community Action Partnership (CAP-N & CAP-NC); 2) El
15 Ada, Inc. (El Ada); 3) The Western Idaho Community Action Partnership (WICAP); 4)
16 The South Central Community Action Partnership (SCCAP); 5) The Southeastern Idaho
17 Community Action Agency, Inc. (SEICAA); 6) The Eastern Idaho Community Action
18 Partnership, Inc. (EICAP); 7) The Community Council of Idaho, Inc. (CCI), and; 8)
19 Metro Community Services (MCS) formerly named the Canyon County Organization on
20 Aging, Weatherization and Human Services, Inc. The last two agencies, CCI and MCS,
21 are designated in CAPAI’s Bylaws as “special purpose agencies.” These agencies are
22 focused on providing services to migrant and senior populations, respectively.
23 Collectively, the six Community Action Agencies (sometimes referred to as “CAPs”)
24 along with CCI and MCS are referred to as “member agencies.” For the purposes of the

1 Stipulation at issue in this proceeding, there is no relevant distinction between a
2 Community Action Agency and a special purpose agency.

3 Each member agency has a designated service area. Combining all agencies,
4 every county in Idaho is served. The agencies design their various programs to meet the
5 unique needs of communities located within their respective service areas. Not every
6 agency provides all of the following services, but all work with people to promote and
7 support increased self-sufficiency. Programs provided by CAPS include: employment
8 preparation and retention, education assistance, child care, emergency food, senior
9 independence and support, clothing, home weatherization, energy assistance, affordable
10 housing, health care access, and much more.

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

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

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

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

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

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

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

4 A: Yes, I have testified on behalf of CAPAI in numerous cases involving United Water,
5 Idaho Power, AVISTA, and Rocky Mountain Power, to name a few.

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

7 A: CAPAI participated fully throughout the entirety of this case and participated in all
8 settlement negotiations.

9 **III. SUMMARY**

10 Q: Please summarize your testimony in this case?

11 A: The purpose of my testimony is to support the settlement stipulation entered into between
12 CAPAI, Avista, the Commission Staff, Clearwater Paper Corporation, and the Idaho
13 Forest Group. The Idaho Conservation League declined to join in the settlement in its
14 entirety and still has issues it wishes to raise during the hearing scheduled for this matter
15 on December 8, 2017. The Settlement Stipulation was filed with the Commission on
16 October 20, 2017 by way of a Motion for Approval submitted by Staff pursuant to Rule
17 274 of the Commission’s Rules of Procedure, IDAPA 31.01.01.274. As discussed later
18 in my testimony, the parties settled for a reduced rate increase and agreed to, among other
19 things, meet (at their discretion) with CAPAI to consider a funding increase for Avista’s
20 Low Income Weatherization Program (LIWA). I also provide the rationale for CAPAI’s
21 support of the settlement. Finally, I will explain why I believe that the settlement is in
22 the interests not only of Avista’s low-income customers, but the general body of
23 ratepayers as well.

24 Q: Is CAPAI's support for the Settlement Stipulation unconditional?

1 A: Yes it is.

2 Q: Are there any exhibits to your testimony?

3 A: No.

4 **IV. ESSENTIAL ELEMENTS OF SETTLEMENT**

5 **A. Revenue Requirement:**

6 Q: Please identify the primary aspects or elements of the settlement from CAPAI's
7 perspective.

8 A: CAPAI agreed that due to various factors, the Company was entitled to a rate increase in
9 both the production and sale of electricity and gas but believed that the amount originally
10 requested was excessive. The Company agreed to a significantly lesser amount that
11 CAPAI believed was justified and would like prevail if the issue of revenue requirement
12 were to go before the Commission at hearing. The reduced amount was further made
13 more palatable given Avista's willingness to agree to a two year stay-out period.
14 Consequently, CAPAI agreed to the revenue requirement ultimately incorporated into the
15 settlement stipulation. All in all, CAPAI believed the revenue requirement to be fair, just
16 and reasonable.

17 **B. Monthly Basic Charge:**

18 Q: What is CAPAI's perspective on the agreement to increase the fixed, monthly residential
19 basic charge by twenty-five cents?

20 A: The monthly basic charge is intended to cover the costs directly attributable to individual
21 residential customers and includes, among other things, items such as a customer's
22 service drop and meter. CAPAI is aware that the costs recovered by the basic charge do
23 increase over time and believes that a twenty-five cent increase is not excessive. Further,
24

1 an increase in the basic monthly charge, as proposed, won't necessarily be contrary to the
2 interests of low income customers on the whole.

3 Q: Why is this?

4 A: Because, depending on whether a low income customer is a relatively high user due to
5 circumstances beyond their control (e.g., they rent a poorly insulated dwelling with
6 electric baseboard heating), other things being equal, their monthly bill will be higher
7 with a lower basic charge because the revenue collected from them will come more from
8 the commodity rate (e.g., number of kWh used during the month). Conversely, low
9 income customers with relatively low usage will possibly pay higher bills because their
10 bills are based more on a higher fixed basic charge.

11 Q: So, what is your position in response to Avista's request to recover revenues from
12 customers through a relatively modest twenty-five cents per month increase through the
13 basic charge will not have a substantial effect on low income ratepayers on the whole.

14 A. Given the mixed effect a modest increase such as twenty-five cents/month, CAPAI
15 supports the proposed increase to its monthly basic charge to residential customers.

16 **C. Low Income Issues:**

17 Q: Are there any provisions contained in the Stipulation exclusive to low income concerns
18 and considerations?

19 A: Yes. Paragraph 18 of the Stipulation contains the following provision:

20 The Company and interested parties will meet and confer to
21 consider whether the Low Income Weatherization Program and
22 Energy Conservation Education Program funding should be
23 increased from the current Commission-approved levels of
24 \$700,000 and \$50,000, respectively. Discussion topics will

1 include the need for additional funding, how additional funds will
2 be used, how much additional funding will be necessary, and
3 what impact the increase will have on the energy efficiency tariff
4 rider (Schedules 9 and 191 balance. If participants agree that a
5 funding increase is necessary, the Company agrees to make any
6 necessary filing(s) with the Commission on or before December
7 31, 2017.

8 Q: Would you please provide your opinion of this provision and why it is acceptable to
9 CAPAI?

10 A: Avista specifically called out the issue of funding its LIWA program and stated that it
11 would generally be supportive of an increase in funding. Thus, CAPAI has proposed
12 such an increase.

13 Q: Is there any adamant opposition to a LIWA funding increase for Avista's program?

14 A: As paragraph 18 of the stipulation indicates, there is no outright opposition at this point to
15 a funding increase by any party.

16 Q: Then why is there no proposal for a specific funding increase contained in the
17 stipulation?

18 A: Staff has questions of both CAPAI and Avista before it is willing to sign off on any
19 particular increase. CAPAI is in the process of seeking clarification from Staff regarding
20 what information will be useful in determining a specific funding increase in this case in
21 preparation to meeting with Staff, Avista personnel and other interested parties.

22 Q: Has a meeting been scheduled to discuss this issue?

23 A: Yes. Avista personnel are traveling to Boise on November 20, 2017. Staff will, of
24 course, be there along with CAPAI and any other interested parties.

1 Q: What do you hope to accomplish during this meeting?

2 A: My goal is, first and foremost, to answer or address any questions or concerns that Staff
3 has. Beyond that, CAPAI clearly seeks to increase in the funding. This program not only
4 provides benefits to low-income Avista customers, but to the general body of ratepayers.
5 This is achieved by increasing energy affordability which then results in Avista
6 experiencing more retention of its low-income customers. Additionally, providing
7 weatherization assistance to low income customers can result in a commensurate
8 reduction in costs for the Company including collection, past due notices, legal fees, and
9 a number of other consequences that will help to provide Avista with customers who
10 could not afford to remain as such unless and until they are given the benefit of assistance
11 in helping to reduce their gas and electricity consumption. By reducing costs for Avista,
12 the general body of the Company's ratepayers benefit. Finally, although it wasn't
13 possible for the aforementioned parties to address and resolve this issue to a level of
14 specificity to fully address in the stipulation or this testimony, CAPAI is hopeful that an
15 accord can be reached in time for presentation during the December 8, 2017 hearing
16 through live testimony on the stand.

17 **V. CONCLUSION**

18 Q: Do you have any concluding remarks?

19 A: Yes. I would like to express gratitude to Avista for its dedication to the Company's
20 LIWA program in a cost-effective manner and its support of a funding increase. I would
21 also like very much to thank the Commission Staff for its willingness to work with
22 CAPAI in discussing this issue and in their reasonable approach to this issue. Staff has
23 been helpful and it is my sincere hope that we can continue to work collaboratively.

24 Q: Does this conclude your testimony?

1 A: Yes, it does.

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CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on the 3rd day of November, 2017, 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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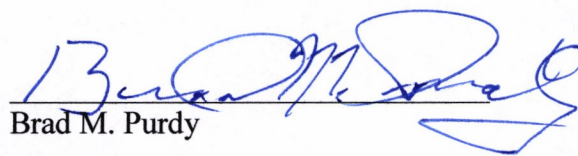
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