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 IDAHO PUBLIC  
 UTILITIES COMMISSION

**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE APPLICATION	)	
OF AVISTA CORPORATION DBA AVISTA	)	CASE NO. AVU-E-10-01
UTILITIES FOR AUTHORITY TO	)	CASE NO. AVU-G-10-01
INCREASE ITS RATES AND CHARGES FOR	)	
ELECTRIC AND NATURAL GAS SERVICE	)	
IN IDAHO.	)	COMMUNITY PARTNERSHIP
	)	ASSOCIATION'S APPLICA-
	)	TION FOR INTERVENOR
	)	FUNDING
	)	

COMES NOW, Applicant 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 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**

The proposed findings and recommendations of CAPAI are set forth in the direct, prefiled testimony of Teri Ottens filed in this matter on August 5, 2010, and interwoven throughout the settlement stipulation to which CAPAI was a signatory. CAPAI fully participated in every aspect of the settlement negotiations conducted in this case and, consistent with the settlement agreement previously submitted to the Commission for approval, makes the following statement of proposed findings and recommendations.<sup>1</sup>

First, CAPAI submits that the negotiated increase to AVISTA's revenue requirement of \$21.25 million, an increase of 9.25%, compared to the \$32 million (14%) increase originally proposed, is fair and reasonable resolution in light of all circumstances. The "rate mitigation" plan structured by the parties reduces the impact of the rate increase by utilizing a deferred investment tax credit to phase the total increase in through three incremental increases, the last taking effect on October 1, 2012.

After extensive analysis and negotiations, the signatory parties agreed that there should be additional analysis of the Company's current cost of service methodology and, therefore, contend that the equal percentage increase to all customer classes, moving them partially toward "unity," is preferable until an agreed upon workshop can be convened to analyze revenue allocation in greater detail and, if and when appropriate, submit the matter to the Commission for resolution. CAPAI, of course, recommends a finding that this is reasonable.

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<sup>1</sup> For the sake of brevity, this list is not an exhaustive summation of virtually every issue resolved by the settlement agreement and for which CAPAI might have had a position.

CAPAI proposes that the increase of the basic charge for electric customers from \$4.60 to \$5.00, less than originally proposed, is reasonable and should be approved.

CAPAI concurs that the Company's investments in energy efficiency, particularly low-income weatherization, are prudent and should be recovered as proposed.

CAPAI expressed its belief that AVISTA's existing residential tiered rate design should be more thoroughly analyzed. For now, the settlement proposes that the first block of consumption be set at 600 Kwh, but CAPAI wishes to better understand the issue. Thus, the settlement states that there will be a workshop convened for that purpose prior to filing the next general rate case, a resolution CAPAI recommends be found reasonable.

There were a number of "customer service-related" issues agreed upon by the parties and which CAPAI proposes be accepted. Those of greatest concern to CAPAI are:

1. CAPAI recommends that the Company's agreement to increase low-income weatherization funding from \$465,000.00 annually to \$700,000.00 be approved. Though CAPAI respectfully submits that this agreed upon funding level is not adequate to fully meet existing need and begin to reduce the backlog of eligible low-income residences that qualify for this program, it is an admirable step in that direction, is a cost-effective energy resource and, as such, provides system-wide benefits.

2. AVISTA believes that its conservation education ("outreach") program has been very successful. CAPAI agrees and supports AVISTA's agreement to increase funding of that program from \$25,000.00 to \$40,000.00. Though additional funding could be supported for a number of compelling reasons, CAPAI submits that this increase is fair and reasonable for the time being and proposes that the funding level be re-examined in the future.

3. Other miscellaneous but significant customer service issues that CAPAI propose be adopted include the Company's agreement to review the process by which its landlord/tenant accounts are managed, that related cost recovery be addressed, that Contact Center service standards be examined, and that AVSTA's residential customer deposit policies be reviewed to determine if bad debts are being minimized to the greatest extent possible.

4. CAPAI proposes that the Company's proposal to conduct five Senior Energy Conservation workshops is a relatively new and reasonable objective for AVISTA in Idaho.

**(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.

CAPAI has historically made a concerted effort to minimize its expenses and maximize the effect that its efforts have in proceedings before this Commission. Though this matter was settled, because of the broad scope of issues raised by all parties, and due to the level of CAPAI's involvement, it required the investment of considerable time and resources by CAPAI to effectively participate and address issues of concern to the general body of ratepayers.

Negotiations in this proceeding took place, informally, over an extended period of time and, formally, over the course of two separate, lengthy face-to-face sessions at the Commission's offices. CAPAI's expert Teri Ottens was present during negotiations and pre-filed and presented direct testimony at the technical hearing conducted in this docket.

Because of its commitment to the issues raised by AVISTA's application, CAPAI maximized its limited resources to the greatest extent possible. Borne out of necessity, CAPAI often must employ a practice of forgoing retaining expert witnesses and consultants in highly technical areas and, instead, adopt a resourceful approach using what limited resources that are at

its disposal. Thus, CAPAI respectfully submits that the costs incurred, and requested 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. 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 and impose conditions or limitations on the scope and nature of work eligible for funding. CAPAI, therefore, has relatively little “discretionary” funds available for all projects. Some matters before this Commission, furthermore, do not qualify for intervenor funding by virtue of their nature.

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. 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**

Although Staff provided valuable input regarding most every issue to this matter, CAPAI is the only party who proposed an increase to low-income weatherization and conservation education funding and raised significant issues regarding the Company’s tiered residential rate design.

**(06) Statement of Recommendation**

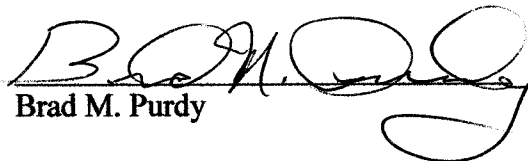
As explained throughout this Application, CAPAI addressed issues that are not exclusively related to low-income customers, e.g. overall revenue requirement. Furthermore,

CAPAI has long submitted that providing assistance to a utility's low-income customers provides system-wide benefits in numerous respects including, but not limited to, the fact that low-income weatherization programs constitute cost-effective energy resources and that programs designed to assist low-income customers through education and by other means reduces the percentage of those customers who might be lost to the Company's system due to inability to pay their bills. Therefore, the proposals and recommendations made by CAPAI are "of concern to the general body of utility users or consumers."

**(07) Statement Showing Class of Customer**

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

RESPECTFULLY SUBMITTED, this 9 th day of September, 2010.

  
Brad M. Purdy

**CERTIFICATE OF SERVICE**

I, the undersigned, hereby certify that on the 9<sup>th</sup> day of September, 2010, I served a copy of the foregoing document on the following by electronic format (where available) and U.S. mail, first class postage.

Kelly Norwood  
Avista Corporation  
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Donald L. Howell, II  
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Idaho Public Utilities Commission  
472 W. Washington St.  
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**Served via copies filed with Commission.**

Peter J. Richardson  
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Brad M. Purdy



**EXHIBIT "A"**  
**ITEMIZED EXPENSES**

<b>Costs:</b>		
	Photocopies/postage	\$43.50
	<b>Total Costs</b>	<b>\$43.50</b>
<b>Fees:</b>		
	Legal (Brad M. Purdy –74.5 hours @ \$130.00/hr.)	\$9,685.00
	<b>Total Fees</b>	<b>\$9,685.00</b>
	Expert Witness (Teri Ottens – 20.5 hours @ \$50.00/hr.)	\$1,025.00
	<b>Total Expenses</b>	<b>\$10,753.50</b>