

✓ Gen Ark
sent 4/17/09

✓ To AV.

✓ To Commis.
: H

April 14, 2008

Dear Public Utilities Commission,

I am rather appalled that a public utility would be able to make a profit off of a supposed public service. I just do not feel that an essential service should be at the mercy of stockholders and the "bottom-line" mentality. Practically everyone struggles to pay their utility bills and we should not be charged more than the actual cost of bringing us this service.

I do not think Avista should exist as a for-profit corporation and I definitely think the rates should not increase. We are paying for the exorbitant salaries of countless fat-cat CEO's and other officers. Not only that, Avista takes our money and donates to all kinds of non-profits which I am sure is some sort of tax write-off, not to mention advertising for their company. By taking our money and donating, they are taking away our freedom to donate our money to whatever cause we see fit.

There is something wrong with this picture. Greed.

208 892-0949

Anne Bowler
1825 E. White Ave 1F
Moscow, ID 83843

✓ Gen. Ask
sent 4/17/09

✓ To AV.

✓ To Commis.
H

Olive A. Harris
P.O. Box 1682
Sandpoint, Idaho 83864-0871

RECEIVED

2009 APR 16 AM 8:19

IDAHO PUBLIC
UTILITIES COMMISSION

Idaho Public Utilities Commission
P. O. Box 83720
Boise, Idaho 83720-0074

Dear Public Utilities Commissioners:

Here we go again (aren't they busy enough?) another rate increase in a time of lost wages, home foreclosures, and loss of jobs. I hope you understand I am barely making it as a 67 year old retired teacher and widow who still has to work to make ends meet. I realize I am captive to this business and they have to make money to stay in business, but to be insensitive to what is happening in our community is beyond all understanding. We as citizens have to tighten our belts so should Avista.

As Public Commissioners , aren't you suppose to be our advocates and protect our interests also? Do you really ask Avista the tough questions or do you take their work on everything. I am enclosing 3 articles which I hope you read and think about before you ask those questions and give them the rate increase. Do you really investigate Avista so you can make a sound decision?

In one of Avista's news letters, they mentioned that they are considering assessing each rate payer 50 cents a month to assist their assistance program. I would give if I could, but my bill comes first. To charge me 50 cents a month is just so wrong. Avista is as bad as the Obama administration with its bailouts. I do see abuse of this program - assistance program. I work with a person who gets her electric bill by Avista, and she is working , also, on her Masters degree at the U of I. Avista is not checking out the people who they assist. Forcing me to "captive donate" is just absolutely Socialistic crap. This program should go to those who are in truly in need especially the families with children and deserving widows and widowers not to people who don't live on a budget or who are capable of working but choose not to work.

I find it difficult for me to at times pay my bill, but I budget and shift my bill money so I can make payments. I should not be responsible for someone else's bill.

Finally, I don't have a problem with very deserving people in the Avista Corporation receive incentive pay during good times, but the amount seems overkill when people are struggling to make ends meet.

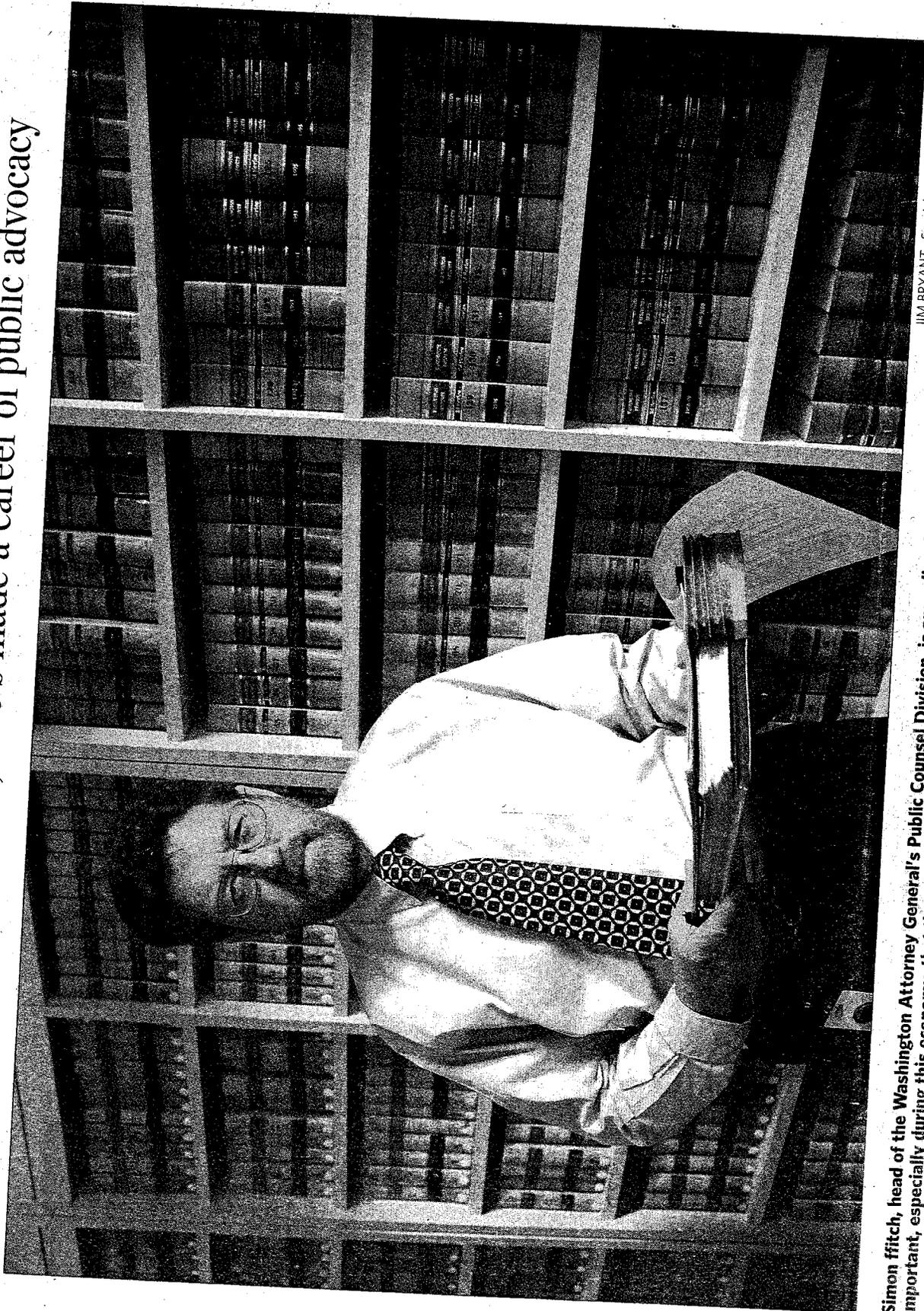
Please commissioners , be our advocate. Thank you

Sincerely,

Olive A. Harris

Olive A. harris

Executive pay and rate increase requests at Avista have caught the attention of attorney Simon ffitich, who's made a career of public advocacy



Simon ffitich, head of the Washington Attorney General's Public Counsel Division, is appealing Avista Utilities' latest request to raise rates. "We think it's important, especially during this economy, that there's not one extra penny taken from people's budgets," he said.

JIM BRYANT Special to The Spokesman-Review

RATEPAYERS' REPRESENTATIVE

BY BECKY KRAMER

Staff writer

Fresh out of Portland's Lewis and Clark Law School, Simon ffitch took a job with Legal Aid, where many of his low-income clients had troubles with the power company.

They had fallen behind on their heating bills and were facing shutoffs. Or, they couldn't afford the initial deposit to get hooked up.

Heat and light are "an essential service" for people, said ffitch, who talked clients through their legal rights, including the right to set up a payment plan, or contest a shutoff for medical reasons.

Now 57, ffitch still looks out for the little guy. As head of the Washington Attorney General's

@ On the Web: Listen to Simon ffitch and Avista's Jessie Wuerst talk about utility regulation at spokesman.com/audio.

Public Counsel Division, he represents residential and small business customers in utility rate cases.

When Avista Utilities of Spokane, Puget Sound Energy, or other state-regulated utilities want to raise electric, natural gas or telephone rates, ffitch and his staff scrutinize the requests on behalf of consumers. He and his staff hire expert witnesses and testify before the Washington Utilities and Transportation Commission, which approves or denies rate requests.

"We're the advocate for the customer," ffitch said, "making sure that rates are no higher than they should be, based on the evidence."

The attorney's name is familiar to many Eastern Washington Avista customers. (The spelling of his last name is the legacy of an English ancestor, who refused to convert to the modern capital F in the 1600s. "I inherited it from my family, and I don't want to change it," ffitch said.)

Over the years, ffitch has taken Avista to task over executive salaries and questioned the utility's profit margin. He's also critical of utilities' trend of asking for higher rates every year.

Shortly after rates went up on Jan. 1, Avista asked for another 9 percent boost in electric rates.

See **FFITCH, A8**

FFITCH

Continued from A1

and a 2.5 percent increase in natural gas rates. The latest request is pending before the utilities commission, which has 11 months to act.

"Customers are getting real tired of these annual hits, and they're not small hits," ffitich said. "There's a limit to what customers can afford to pay."

He appealed the rate increase that took effect in January in Thurston County Superior Court, saying the utilities commission's decision contained "key legal errors," and the rate hike should be rolled back by 25 percent. About \$60,000 in the rate request was for improper advertising to promote Avista's corporate image and encourage customers to use natural gas, ffitich said. A bigger issue in the appeal is Avista's settlement with the Coeur d'Alene Tribe over the company's historic use of Lake Coeur d'Alene as a reservoir for downstream dams. Ratepayers shouldn't have to shoulder the company's retroactive payment for decades of trespass on the tribe's submerged lands, ffitich said. Those fees – about \$39 million – are reflected in the latest rate hike.

Avista disagrees. "When we take a look at what he's doing (with the appeal), we're pretty disappointed," said Kelly Norwood, Avista's vice president of state and federal regulation.

Norwood said the issues raised in the appeal were hashed over in detail by the Washington Utilities and Transportation Commission, and dismissed.

Avista doesn't like to ask for higher rates, said Jessie Wuerst, a company spokeswoman. But in recent years, the company has been squeezed by higher wholesale power costs, plus the need to replace aging equipment and repair Avista's tattered credit rating, she said.

"The utility industry is highly scrutinized," Wuerst said. "The use of every ratepayer dollar is audited and reviewed and approved by the utility commission."

A public crusader

In person, ffitich is a measured speaker, with the slightly rumpled look of a college professor.

Utility law has been a near-constant in his career. Before moving to the Public Counsel Division 12 years ago, he worked as an administrative law judge at both the Oregon and Washington utilities

commissions. His résumé also includes a stint in regulatory banking at the Federal Deposit Insurance Corp.

"The guy appears to eat, live and sleep this stuff. He's a total crusader on the behalf of the public. ... I think he's frustrating to the utilities because of his dogged effort to make sure the Average Joe and Josephine has their needs heard," said Gary Smith, executive director of the Independent Business Association.

The association represents 4,300 small Washington companies. Smith said his clients don't have time to follow proposed rate increases or testify before the Washington Utilities and Transportation Commission. The complexity of the utility issues is also a deterrent.

"I could never read a utility tariff and hope to understand what it means," Smith said. "I can read labor laws, environmental laws and tax laws, but utility law is a world unto its own. ... That's why the Office of Public Counsel is a total godsend."

"I think we'd all be paying more for our service if Simon ffitich and the Public Counsel weren't at the table," said Chuck Eberdt, manager of the Energy Project in Bellingham, which promotes affordable energy for low-income people.

Eberdt said the Energy Project's interests often align with the Public Counsel Division. But occasionally, Eberdt and ffitich find themselves on opposite sides in rate cases.

"I don't like being cross-examined by him," Eberdt said. "He asks the tough questions. ... He doesn't back down."

Weighing needs

The Attorney General's Office of Public Counsel started in 1983, when high costs from the 1970s energy crisis were still fresh in people's memories. Ken Eikenberry, then the attorney general, wanted to make sure that consumer interests got a fair hearing before the Washington Utilities and Transportation Commission.

The division employs two attorneys, including ffitich. The staff also includes one full-time and two part-time regulatory analysts, who provide technical expertise. The division's annual budget of \$910,000 also pays for expert witnesses, who testify on topics such as utilities' financial health, quality of service and power costs.

Rate cases are complex legal proceedings. The Washington

Utilities and Transportation Commission acts as a judge, weighing a company's need to cover its costs and turn a profit against customers' need for fair and reasonable rates. Rate cases hinge on expert testimony from attorneys, economists and others versed in utilities.

"One person, by themselves, up against the utility company really is a mismatch," ffitich said. The utilities have "the lawyers and they have the experts. ... We're able to redress the balance a little bit. ... We provide a voice for customers that has some expertise, some legal resources as well as analytic resources, so they can have an effective voice in this highly technical process."

Other parties are also represented at rate cases. Large industrial customers typically weigh in, along with energy-efficiency advocates, and representatives of groups that assist needy families.

The Washington Utilities and Transportation Commission's standard is to determine "fair, just, reasonable and sufficient" rates, said spokeswoman Amanda Murdock.

In return for operating as monopolies in their service areas, the utilities' rates are set by the commission. Murdock said the commission's charge is to make sure the utilities remain financially healthy, while keeping rates fair and reasonable.

"It's a balanced process," said Wuerst, the Avista spokeswoman.

All the parties have input. Sometimes the utility, commission staff and other parties reach a negotiated settlement. As part of negotiations, Avista sometimes agrees to take certain costs out of its rate requests, Wuerst said.

Two years ago, Avista agreed to trim \$1.7 million in executive pay from a rate hike. In pushing for the decrease, ffitich noted that while salaries for most Avista employees grew by a total of 18 percent between 2000 and 2006, the pay for a former CEO rose by nearly 40 percent, and compensation for other executives shot up 70 percent.

Profits and executive pay

Avista said that while executive pay grabs headlines, it actually accounts for a tiny fraction of ratepayers' bills.

"Out of every dollar customers pay on their bills, less than one-half of one penny goes to executive compensation," said Debbie Simock, an Avista spokeswoman.

This year, salaries have been frozen for Avista Chairman and

CEO Scott Morris and 13 other top officers. And the salary costs, Simock said, are borne by the company's investors as well as ratepayers.

Executive pay is still important, ffitich said. "A million dollars is real money," he said. And it's a philosophical issue as well, he said.

"You want to know that at every level of the company, they are watching costs and pinching pennies so the customers only have to pay what's absolutely necessary in terms of increases."

He also has been vocal about Avista and other utilities filing yearly requests for higher rates. The requests demonstrate a lack of desire to control costs or keep rates stable, he said.

"I think that customers can legitimately ask whether the company's really being managed properly if they come in for a rate case every year," ffitich said.

Avista's Norwood, however, said conditions in the utility industry have changed radically since the late 1980s and 1990s, when Avista went a decade without asking for a rate hike.

Wholesale power costs have doubled. In addition, prices for cement and steel skyrocketed just as Avista began replacing 50-year-old turbines at its dams and making improvements to aging substations and transmission lines. Avista spends about \$210 million per year on infrastructure – twice as much as five years ago, Norwood said.

"We need a tremendous amount of capital just to keep the lights on," said Wuerst. "That's why we have to attract investors to help us with this debt."

Avista wants a higher profit margin to attract investors. The company is allowed to earn a 10.2 percent return on equity. A request to boost the rate to 11 percent was included in Avista's latest rate filing.

When investors buy stock in Avista, they generate money for the company's capital projects. Wuerst said ratepayers benefit because Avista doesn't have to borrow as much. By boosting its profit margin, the company also hopes to improve its Standard and Poor's credit rating so it can get better interest rates when it does have to borrow, she said.

Over the past five years, Avista failed to hit the 10.2 percent return, she added, averaging just less than 8 percent.

The Idaho Public Utilities Commission recently approved a 10.5 percent rate of return for Idaho Power, in Southern Idaho, Norwood noted. In a January order, the commission referred to

deteriorating credit markets in explaining its decision to raise the company's return on equity.

Boosting Avista's profit margin to 11 percent would cost ratepayers about \$6 million in the current request, ffitich said.

"What do you have to offer investors as a return to get them to invest in a company like Avista?" ffitich asked. "That's an issue that we'll be looking at in upcoming rate cases."

With the economy tanking, the return needed to entice investors may be changing, he said.

"To the average person on the street, earning a 10 percent return on an investment has always been pretty good," ffitich said.

With many investments losing money, utilities - with their captive audiences and their government-set rates - could be looking more attractive to investors, he said.

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

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 for-

mer 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.

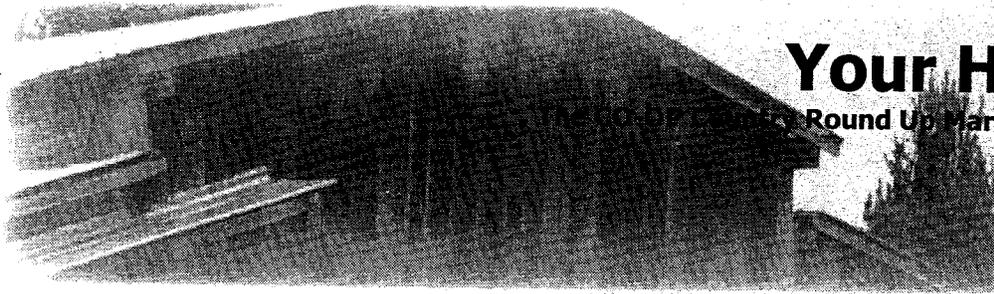
Wuerst said the salaries and compensation packages

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.



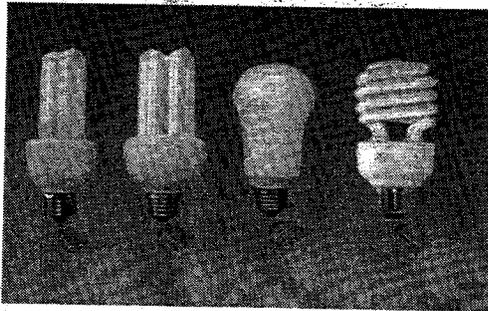
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[Wholistic Health Education Series, Mar/Apr '09]

Are You a "Hazardous Waste Handler" and Don't Know It?

by Gloria Gilbère, N.D., D.A.Hom.,
Ph.D., Wholistic Rejuvenist™

Do you have florescent light bulbs in your home or business? If you do, congratulations, you are now a "hazardous waste handler". The energy savings of fluorescent bulbs is NOT worth risking your health. If one breaks over carpet, you'd have to replace the entire room of carpet to remove the mercury contained in the bulb. Some consumers have become so ill they've had to seal-off the contaminated room until it can be safely cleared by specialists.



Yes, we must do our part to conserve energy. However, the media

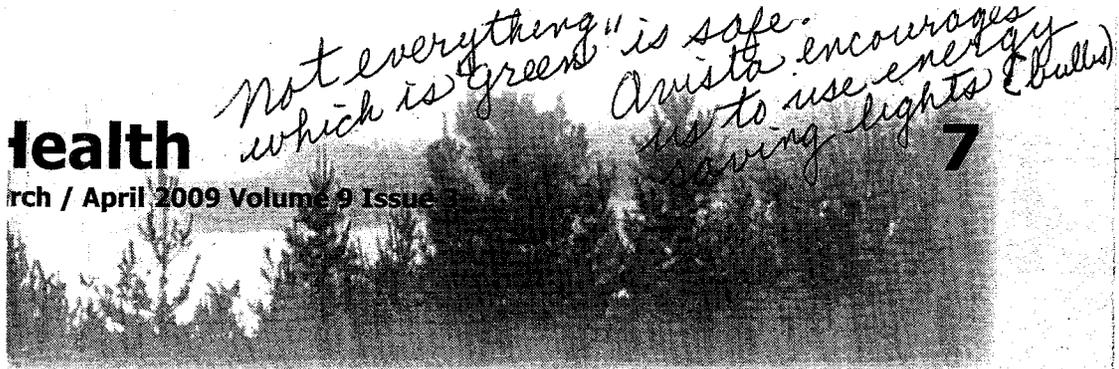
and lawmakers encourage us to purchase compact fluorescent lights (CFLs) instead of incandescent because they use less energy. Granted, they do. However, they aren't telling us their dangers, particularly when handling them or when they break. ALWAYS use disposable gloves when handling CFLs – the oil from our skin can cause them to break or even explode.

With help from the media, proponents of CFLs convinced Congress to ban incandescent bulbs in the energy bill President Bush signed into law Dec. 19, 2007. The bill increases efficiency standards and bans traditional bulbs by 2014.

Each CFL contains about 5 mgs of mercury – enough for state environmental agencies to recommend complicated and expensive cleanups for accidental bulb breaks in homes! The 5 mg of mercury are enough to contaminate 6,000 gallons of water beyond safe drinking levels, according to research from Stanford University on mercury.

The following is a guide if you use CFL bulbs:

1. **START** with fixtures you use most. Choose CFLs for locations where breakage is rare – ceiling fixtures rather than table lamps in high traffic areas. Do not use CFL in children's rooms.
2. **BUY** a few bulbs of several brands and try them for quality of luminescence. CFLs do last a long time, all the more reason to make sure you are comfortable with their light quality.
3. **BUY** CFLs with the lowest mercury content, below 1 mg – don't go by The Energy Star logo; it's NOT an indicator of low mercury.
4. **DON'T** use CFLs where mercury exposure cleanup is difficult – children's rooms, playrooms, recreation/family rooms, workbenches, wall-to-wall carpet, and near irreplaceable rugs and furniture.



5. DON'T use CFLs in closets and other spots lit for short periods – CFLs take 10 to 15 minutes to reach optimum light and efficiency.
6. USE mercury-free bulbs such as LED (light emitting diodes) or halogen energy-savers where CFLs don't work or pose a high risk. Consider LED or halogen for stairs and hallways where CFLs slow start-up pose a safety risk.
7. CLEANING-UP BROKEN CFL BULBS – If you break a bulb follow the 10-step clean-up recommended by Environmental Working Group (EWG).
 - a. Have children, pregnant or nursing women, and pets exit immediately from contaminated area.
 - b. Immediately reduce room temperature.
 - c. Close doors to contaminated room and open windows to allow volatile mercury vapors to vent outdoors – mercury is toxic!
 - d. Wear a dust mask or one with a disposable charcoal filter.
 - e. Using disposable rubber gloves, scoop-up bulb fragments and use tape to collect tiny particles – DO NOT vacuum or sweep, mercury will become even more airborne.
 - f. Seal the waste in a GLASS jar with a screw-top lid (always keep at least one jar of this type easily accessible).
 - g. Dispose of waste properly, IT IS TOXIC – DO NOT place in trash or recycling. Call local Waste Management for specific hazardous waste disposal directions.
 - h. Once you leave the area, wash your hands and nails several times.
 - i. Leave the site for 4- 8 hours, use an air purifier when possible.Additionally, I do not use or recommend any type of fluorescent bulbs because of other health-related side-effects. I hope, after reading this article, you will use incandescent, LED, or Halogen lighting and conserve by only using lights in rooms as needed. If you've ever lived in a home powered by solar energy, as I have, you'd be acutely aware of how to live comfortable while conserving your health and energy, naturally.



Gloria Gilbère, N.D., D.A.Hom., Ph.D., Wholistic Rejuvenist is a leading voice in wholistic and environmental health and rejuvenation. She is internationally respected as a natural-health practitioner, researcher and journalist – having authored over 550 health articles, 6 courses and 9 books, including bestsellers *I was Poisoned by my body* and *Pain & Inflammation Matters*.

Gloria is a traditional naturopath, homeopath, doctor of natural health, EcoErgonomist, and renowned for designing individual protocols to identify causes, effects and drug-free solutions to health and environmental challenges.

✓ Gen. Ack
sent 4/15/09

✓ To AV.

✓ To Comments.
H

Jean Jewell

From: fmwest@cableone.net
Sent: Tuesday, April 14, 2009 5:50 PM
To: Jean Jewell; Beverly Barker; Gene Fadness; Ed Howell
Subject: PUC Comment Form

A Comment from Fran West follows:

Case Number: AVU-E-09-01/AVU-G-09-01
Name: Fran West
Address: 311 Reservoir Dr
City: Lewistoni
State: ID
Zip: 83501
Daytime Telephone: 208-746-4236
Contact E-Mail: fmwest@cableone.net
Name of Utility Company: Avista
Add to Mailing List: yes

Please describe your comment briefly:

I cannot believe the power the Avista Utility Company has over the customers and the IPUC. At this time of income losses to so many families, the company should be turned down for their rate increase requests. The executives can cut thsir salaries and big bonus bucks just like the average working person. I believe that the IPUC is an entity of the Idaho State Government and works for the residents of Idaho. Doesn't our opinion count? I can't afford another increase at this time. Our income has not increased like the salaries of our elected governmnet officials or the Avista executives and it is time you say NO!!! to this recent request.

The form submitted on <http://www.puc.idaho.gov/forms/ipuc1/ipuc.html>
IP address is 24.117.127.109

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sent 4/15/09

✓ To Commes.
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Jean Jewell

From: lragan561@hotmail.com
Sent: Wednesday, April 15, 2009 2:15 AM
To: Jean Jewell; Beverly Barker; Gene Fadness; Ed Howell
Subject: PUC Comment Form

A Comment from Lynn Ragan follows:

Case Number: *AVU-E-09-01/AVU-G-09-01*
Name: Lynn Ragan
Address: 630 Evergreen Terrace Road
City: St. Maries
State: ID
Zip: 83861
Daytime Telephone:
Contact E-Mail: lragan561@hotmail.com
Name of Utility Company: Avista
Add to Mailing List:

Please describe your comment briefly:
This household would like to protest approval of Avista's requested rate increase. In an economy where many in this community are out of work (including my husband), and where the recent increase is already making our electric bill unaffordable, it is difficult to imagine how one will cope with further increases. Add to that the fact that Avista's CEO's salary package was in excess of 2 million dollars, and that each CDA tribal member recently received a check in excess of \$11,000. We feel that, like the rest of us, Avista should be trimming the excess at this time, and encourage you to deny, in whole, or in part, their request for a rate increase.

The form submitted on <http://www.puc.idaho.gov/forms/ipuc1/ipuc.html>
IP address is 64.72.50.10
