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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 FOR THE)	CASE NO. AVU-G-15-01
AUTHORITY TO INCREASE ITS RATES)	
AND CHARGES FOR ELECTRIC AND)	
NATURAL GAS SERVICE TO ELECTRIC)	DIRECT TESTIMONY
AND NATURAL GAS CUSTOMERS IN THE)	OF
STATE OF IDAHO)	DON F. KOPCZYNSKI
_____)	

FOR AVISTA CORPORATION

(ELECTRIC AND NATURAL GAS)

1 I. INTRODUCTION

2 Q. Please state your name, employer and business
3 address.

4 A. My name is Don F. Kopczynski and I am employed
5 as the Vice President of Energy Delivery for Avista
6 Utilities, at 1411 East Mission Avenue, Spokane,
7 Washington.

8 Q. Would you briefly describe your educational
9 background and professional experience?

10 A. Yes. Prior to joining the Company in 1979, I
11 earned a Bachelor of Science Degree in Engineering from
12 the University of Idaho. I have also earned a Master's
13 Degree in Engineering from Washington State University, a
14 Master's Degree in Organizational Leadership from Gonzaga
15 University, and a Master's Degree in Business
16 Administration from Whitworth University. Over the past
17 35 years I have spent approximately 18 years in Energy
18 Delivery, managing Engineering, various aspects of
19 Operations, and Customer Service. In addition, I spent
20 three years managing the Energy Resources Department,
21 including Power Supply, Generation and Production, and
22 Natural Gas Supply. I have worked in the areas of
23 Corporate Business Analysis and Development, and served in
24 a variety of leadership roles in subsidiary operations for

1 Avista Corp. I was appointed General Manager of Energy
2 Delivery in 2003 and Vice President in 2004. My current
3 position is Vice President of Energy Delivery. I serve on
4 several boards, including the Common Ground Alliance,
5 American Gas Association, Northwest Harvest and the
6 Washington State University Advisory Boards.

7 **Q. What is the scope of your testimony?**

8 A. I will provide an overview of the Company's
9 electric and natural gas energy delivery facilities, a
10 summary of Avista's customer support programs in Idaho and
11 an update on our continuing Natural Gas Pipeline
12 Replacement Program.

13 A table of the contents for my testimony is as
14 follows:

15	<u>Description</u>	<u>Page</u>
16	I. Introduction	1
17	II. Overview of Avista's Energy	
18	Delivery Service	3
19	III. Customer Support Programs	5
20	IV. Ongoing Pipeline Replacement	12

21 **Q. Are you sponsoring any Exhibits in this**
22 **proceeding?**

23 A. Yes. I am sponsoring Exhibit No. 8, Schedule 1
24 which shows the number of customers and customer energy
25 usage for each customer class. Additionally, Exhibit No.
26 8, Schedule 2 is the Company's Aldyl A Pipe Replacement

1 Update for select areas of its Idaho natural gas
2 distribution system.

3

4 **II. OVERVIEW OF AVISTA'S ENERGY DELIVERY SERVICE**

5 **Q. Please describe Avista Utilities' electric and**
6 **natural gas utility operations.**

7 A. Avista Utilities operates a vertically-
8 integrated electric system in Idaho and Washington. In
9 addition to the hydroelectric and thermal generating
10 resources described by Company witness Mr. Kinney, the
11 Company has approximately 18,300 miles of primary and
12 secondary electric distribution lines. Avista has an
13 electric transmission system of 685 miles of 230 kV lines
14 and 1,534 miles of 115 kV lines.

15 Avista owns and maintains a total of 7,650 miles of
16 natural gas distribution lines, and is served off of the
17 Williams Northwest Pipeline and Gas Transmission Northwest
18 pipelines. A map showing the Company's electric and
19 natural gas service area in Idaho, Washington, and Oregon
20 is provided by Company witness Mr. Morris in Exhibit No.
21 1, Schedule 2.

22 As detailed in the Company's 2013 Electric Integrated
23 Resource Plan, Avista expects retail electric sales growth
24 to average 1.1% annually for the next ten years in

1 Avista's service territory, primarily due to increased
2 population and business growth.¹ In 2014, throughout its
3 service territory, Avista had 4,782 new electric
4 residential customer connections and 4,362 for 2013.²

5 Based on Avista's 2014 Natural Gas Integrated
6 Resource Plan, in Idaho/Washington the number of natural
7 gas customers is projected to increase at an average
8 annual rate of .99%, with demand growing at a compounded
9 average annual rate of 1.03%.³ New natural gas customer
10 connections for all customer classifications in Idaho and
11 Washington were 5,361 in 2014 and 4,484 in 2013.

12 **Q. How many customers are served by Avista**
13 **Utilities in Idaho?**

14 A. Of the Company's 370,194 electric and 329,722
15 natural gas customers (as of December 31, 2014), 127,134
16 and 78,061, respectively, were Idaho customers.

17 **Q. Please describe the Company's operation centers**
18 **that support electric and natural gas customers in Idaho.**

19 A. The Company has construction offices in Bonners
20 Ferry, Coeur d' Alene, Grangeville, Kellogg, Lewiston-
21 Clarkston, Moscow-Pullman, Orofino, St. Maries, and

¹ A copy of the Company's 2013 Electric IRP has been provided by Mr. Kinney as Exhibit No. 4, Schedule 1.

² A new customer connection as defined by Avista is when a customer receives a bill for the first time at a particular premises/location.

³ A copy of the Company's 2014 Natural Gas IRP has been provided by Company witness Ms. Morehouse as Exhibit No. 7, Schedule 1.

1 Sandpoint. Avista's three customer contact centers,
2 located in Coeur d'Alene and Lewiston, Idaho, and Spokane,
3 Washington are networked, allowing the full pool of
4 regular and part-time employees to respond to customer
5 calls in all jurisdictions.

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III. CUSTOMER SUPPORT PROGRAMS

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Q. What customer support programs does Avista provide for its customers in Idaho?

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A. Avista Utilities offers a number of programs for its Idaho customers, such as energy efficiency programs, Project Share for emergency assistance to customers, a Customer Assistance Referral and Evaluation Service (CARES) program, senior outreach programs, level pay plans, and payment arrangements. Through these programs the Company works to ease the burden of energy costs for customers that have the greatest need.

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To assist our customers in their ability to pay, the Company focuses on actions and programs in four primary areas: 1) advocacy for and support of energy assistance programs providing direct financial assistance; 2) low income and senior outreach programs; 3) energy efficiency and energy conservation education; and 4) support of

1 community programs that increase customers' ability to pay
2 basic costs of living.

3 In the 2013-2014 heating season, 11,331 Idaho
4 customers received approximately \$2,035,878 million in
5 various forms of energy assistance (Federal LIHEAP
6 program, Project Share, and local community funds).

7 **Illustration No. 1: Distribution of Energy Assistance**
8 **Funding**

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Idaho 2013-2014 Heating Season		
(10/01/13 to 9/30/14)		
	# of Grants	Amount
LIHEAP	8,793	\$ 1,559,275
Project Share	394	\$ 76,441
Misc Grants*	2,144	\$ 400,162
Total	11,331	\$ 2,035,878

19 *Local Community Funds administered through CARES
20

21 Avista is committed to reducing the burden of energy
22 prices for our customers most affected by rising energy
23 prices, including low income individuals and families,
24 seniors, disabled and vulnerable customers.

25 **Q. Please describe the recent results of the**
26 **Company's Project Share efforts.**

27 A. Project Share is a community-funded program
28 which also Avista contributes to in order to provide
29 emergency support to low-income families in the Company's
30 region. Avista employees, customers and shareholders

1 voluntarily contribute to the fund which is distributed
2 through local community action agencies to customers in
3 need. Grants are available to those in need without
4 regard to their heating source. In the 2013-2014 heating
5 season, Avista Utilities' customers, employees, and Avista
6 Corp. donated \$494,313.21 on a system-wide basis, of which
7 \$76,441.07 was directed to Idaho Community Action
8 Agencies.

9 **Q. What other bill-assistance programs does the**
10 **Company offer?**

11 A. In an effort to assist and educate customers
12 about payment options such as Comfort Level Billing,
13 flexible payment plans, and preferred due dates, the
14 Company developed a campaign (Customer Bill Assistance
15 Campaign) encouraging customers to learn about and enroll
16 in the various bill assistance options available to them.
17 This Campaign was launched in December 2013 in all of the
18 Company's service areas. The campaign briefly explains
19 the payment options discussed above and encourages the
20 customer to contact Avista to enroll or find out more.
21 The Comfort Level Billing program has been well-received
22 by participating customers, with approximately 20,682, or
23 14%, of Idaho electric and natural gas customers enrolled
24 in the program.

1 In addition, the Company's Contact Center
2 Representatives work with customers to set up payment
3 arrangements to pay energy bills, and choose a preferred
4 due date. In 2014, 27,878 Idaho customers were provided
5 with over 52,764 such payment arrangements.

6 To support the efficient and timely processing of
7 energy assistance grants for our customers, the Company
8 has the Avista Energy Assistant Work Bench: The "Avista
9 Energy Assistant" is a web-based, self-service tool which
10 enables Community Action Agencies (CAA) to access customer
11 usage history and credit and collection information needed
12 to qualify customers for energy assistance grants. With
13 the customer's permission, the CAAs are able to access the
14 information they need, as well as enter grant information
15 on the customer's Avista account. In many cases, the CAAs
16 are able to stop collection activity by entering the grant
17 commitment, serving our customers in a timely manner and
18 saving CAAs the time of calling the Company.

19 **Q. Please summarize Avista's CARES program.**

20 A. In Idaho, Avista is currently working with over
21 764 special needs customers in the CARES program.
22 Specially-trained representatives provide referrals to
23 area agencies and churches for customers with special
24 needs for help with housing, utilities, medical

1 assistance, etc. One of the benefits we have in utilizing
2 CARES representatives is the ability to evaluate each
3 customer, based on their specific need, and to educate
4 them on what assistance is available within the community.
5 A goal of the program is to enable customers to manage not
6 only their Avista bill, but other bills and needs as well.

7 **Q. Does the Company perform any other outreach to**
8 **its customers?**

9 A. Yes. The following are examples of outreach
10 programs that are available to customers:

11 **1. Energy Workshops:** With the help of the Avista
12 Conservation Energy Education Team, 16 Energy
13 Workshops were facilitated in 2014. Approximately,
14 470 seniors and low-income individuals were reached
15 and given Home Energy Saving kits along with
16 learning about low-cost/no-cost ways to reduce
17 energy use. Each kit contains energy-saving items
18 such as an LED light bulb, plastic window covering,
19 draft stoppers for exterior light switches and
20 outlets, and weather-stripping. The Company talks
21 with workshop participants about reducing their
22 energy use very respectfully and carefully to
23 assure health, safety and comfort. We discuss
24 lifestyle changes that could be made and steps to
25 take before turning the thermostat up, and not
26 keeping the thermostat too low. Additionally, we
27 provide information about bill/payment and online
28 tools and resources (such as information about
29 rebates, and the Community Action Agency and
30 accessing energy assistance appointments).
31

32 **2. Energy Fairs:** In 2014 Avista initiated and hosted
33 two (2) Energy Fairs in Idaho - one in Lewiston,
34 and one in Coeur d'Alene, Idaho. The fairs
35 provided information and demonstrations on energy
36 assistance, energy efficiency and home
37 weatherization to limited income families and

1 senior citizens. Nearly 550 people attended the
2 two Idaho fairs. The Energy Fairs provide an
3 environment for customers to learn about billing
4 options and energy assistance, while offering them
5 tips and tools to help manage their financial
6 resources with regards to energy use. Additionally,
7 community partners are invited to host a booth and
8 provide information about their services, such as
9 finance management, employment opportunities,
10 health care and senior programs.
11

12 **3. Energy Resource Van:** Mobile Outreach is conducted
13 through the Avista Energy Resource Van (ERV) where
14 visitors can learn about effective tips to manage
15 their energy use, bill payment options and
16 community assistance resources. The ERV is fully
17 loaded with energy efficiency items such as rope
18 caulk, weather-stripping and door sweeps. In
19 Idaho, Avista Outreach partners with 2nd Harvest and
20 the Idaho Food Bank to reach individuals through
21 mobile food bank distribution. These partnerships
22 enabled the Company to reach customers in rural
23 communities such as Sandpoint, Bolvill, Juliaetta,
24 and Craigmont, Idaho. In 2014, there were 19 ERV
25 events that reached 3,319 individuals.

26 **Illustration No. 2: Customers being assisted**
27 **by Avista's Energy Resource Team**



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1 **4. General Outreach:** General Outreach includes bill
2 payment options and assistance resources in senior
3 and low income publications. General Outreach can
4 also be accomplished by providing energy management
5 information and resources at events (such as
6 resource fairs) and through partnerships that reach
7 our target populations.

- 8
- 9 ▪ **Senior Publications:** Avista has created a one-
10 page advertisement that has been placed in
11 senior resource directories to reach seniors
12 with information about energy efficiency,
13 Comfort Level Billing, Avista CARES, and energy
14 assistance. This advertisement is featured in
15 the Senior Directory that is distributed in
16 Northern Idaho, and includes a Quad Cities
17 edition for Moscow, Pullman, Lewiston, and
18 Clarkston.

19 **5. Conservation Education through Community Action**

20 **Partnership:** A \$50,000 conservation education (ConEd)
21 grant funded through the DSM tariff rider was provided
22 to the Community Action Partnership (CAP) in Lewiston.
23 The grant covers the costs for brochures and flyers to
24 reach individuals seeking energy assistance at the CAP
25 offices and in the service area. The objectives of
26 CAP's low income consumer energy conservation education
27 program include:

- 28
- 29 ▪ Increase ConEd knowledge and awareness by low
30 income individuals,
 - 31 ▪ Build capacity for ConEd in local communities,
32 and
 - 33 ▪ Decrease energy consumption.

34

35 These objectives are achieved through low, medium
36 and high impact strategies. These strategies start
37 with basic awareness building (low impact)
38 activities and through print materials that are
39 available to individuals as they wait for their
40 energy assistance appointment in CAP offices.
41 Medium impact includes workshops and participation
42 in community events to increase individual
43 knowledge of energy conservation. Finally, high
44 impact activities include one-on-one education for
45 those who are receiving weatherization and other

1 energy efficiency installations in their home. The
2 CAP recognizes this strategy as providing the
3 greatest opportunity for lasting behavioral change.
4

5 **IV. ONGOING PIPELINE REPLACEMENT PROGRAM**

6 **Q. Please describe Avista's ongoing program for**
7 **managing its Aldyl A polyethylene natural gas pipe.**

8 A. The Company is continuing its twenty-year
9 program to systematically replace select portions of the
10 DuPont Aldyl A polyethylene pipe in its natural gas
11 distribution system in the States of Idaho, Washington,
12 and Oregon. In 2011, Avista identified approximately 721
13 miles of priority Aldyl A main pipe and approximately
14 16,000 transition tees for replacement in its system, and
15 developed a protocol for managing this piping. Avista
16 began replacement of Priority Aldyl A pipe under the
17 protocol in 2011.

18 **Q. Has the Company completed plans other than its**
19 **protocol that document this program?**

20 A. Yes. Avista's Gas Facilities Replacement
21 Program (GFRP) has developed a multi-year replacement plan
22 that is supported by a Business Case and capital funding
23 recognized by Avista's Capital Budget Planning Process
24 (2012-2019). A copy of the Company's Aldyl A Pipe
25 Replacement Update, provided to the Idaho Public Utilities

1 Commission (IPUC) in January 2015, is included as Exhibit
 2 No. 8, Schedule 2. Prior to the start of each
 3 construction season, the GFRP communicates with the IPUC's
 4 Pipeline Safety Staff and provides a program update which
 5 includes a multi-year replacement plan covering 2013-2017,
 6 current year work plan, and previous year results summary.

7 **Q. Please summarize the Company's progress and**
 8 **future plans for this program in its Idaho service**
 9 **territory?**

10 A. The following table shows the miles of Aldyl A
 11 main pipe replaced, number of Service Tee Transition
 12 Rebuilds (STTR) completed, and the associated capital
 13 investment in Avista's Idaho service area under this
 14 program in 2013 and 2014, as well as planned activities
 15 and investment for the years 2015 through 2017.

16 **Illustration No. 3: Aldyl A main pipe replacement and**
 17 **service tee transition rebuilds**
 18

Year	Miles of Main Pipe	Number of Tees	Investment
<u>Actual</u>			
2013	0	400	\$613,589
2014	3.4	933	\$3,232,255
<u>Planned</u>			
2015	3.5	625	\$3,540,000
2016	3.6	625	\$3,500,000
2017	3.7	625	\$1,700,000
Total	14.2	3,208	\$12,585,844

25

1 The capital investment for the program for the
2 periods 2015 through 2017 is discussed further in the
3 direct testimony of Company witness Ms. Schuh.⁴

4 **Q. Does this conclude your pre-filed direct**
5 **testimony?**

6 A. Yes.

⁴ The amounts included in Ms. Schuh's capital additions for Idaho gas Aldyl A (and the requested revenue requirement) in the Company's filing are lower than the amounts noted here as these amounts were updated after the completion of the Company's final natural gas revenue requirement. These program costs will be updated during the process of this case.