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IDAHO PUBLIC
UTILITIES COMMISSION

1 Brad M. Purdy
Attorney at Law
2 Bar No. 3472
2019 N. 17th St.
3 Boise, ID. 83702
4 (208) 384-1299
FAX: (208) 384-8511
5 bmpurdy@hotmail.com
Attorney for Petitioner
6 Community Action Partnership
Association of Idaho
7

8 BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION
9

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11 IN THE MATTER OF THE APPLICATION) CASE NOS. AVU-E-04-1
OF AVISTA CORPORATION FOR THE) AVU-G-04-1
12 AUTHORITY TO INCREASE ITS RATES)
AND CHARGES FOR ELECTRIC AND)
13 NATURAL GAS SERVICE TO ELECTRIC)
AND NATURAL GAS CUSTOMERS IN THE)
14 STATE OF IDAHO.)
15

16 **COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO**
17 **DIRECT TESTIMONY OF**
18 **LARRY STAMPER**
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1 **I. INTRODUCTION**

2 Q: Please state your name and business address.

3 A: My name is Larry Stamper and I am the Weatherization Program Director for
4 Community Action Partnership (CAP) located at 124 New 6th St., Lewiston, ID. 83501.

5 Q: Please provide a brief description of your organization?

6 A: CAP is one of six CAPs statewide. We are a non profit organization that provides
7 services to low income citizens in Region 1 and 2 of North Idaho. Region 1 includes the
8 counties of Benewah, Bonner, Boundary, Kootenai, and Shoshone. Region 2 includes the
9 counties of Clearwater, Idaho, Latah, Lewis and Nez Perce. Our service area starts just north of
10 New Meadows and runs approximately 350 miles north to the Canadian border, encompassing
11 the entire North Idaho Panhandle.

12 Q: Please describe the scope of your relevant work experience and responsibilities with
13 CAP?

14 A: As Weatherization Program Director, I am responsible for providing energy conservation
15 measures to low income households within our two-region service area, with priority given to
16 elderly, disabled and households with "high" energy burdens, as determined by the Idaho
17 Department of Health and Welfare.

18 I have worked for CAP for more than twenty years, seventeen as the Weatherization
19 Program Director. Although I am responsible for a large service area, I am a hands-on Director
20 who is frequently in the field performing energy audits on income eligible homes. As such, I
21 personally observe the daily struggles that low income families must endure. This might appear
22 as small children wrapped in coats to stay warm in a poorly heated, drafty home. It might be
23 entire families living in only one room of the home because they cannot afford to heat the entire
24 structure. I am often contacted by the elderly who tell me they cannot afford to purchase their
25 medication because they do not have any money left after paying for shelter, utilities and food.

1 Often, I observe individuals who have installed alternative forms of heat into their homes
2 that constitutes a serious safety and health risk, for example, un-vented oil, kerosene and propane
3 heaters, improperly installed wood stoves, etc. These desperately fashioned heating devices are
4 particularly harmful to the elderly, infirm and to children, but the choice of those using them is to
5 either accept the risk of exposure to toxins and fire, or to freezing.

6 II. AVISTA WEATHERIZATION PROGRAM

7 Q: Please describe the programs funded by AVISTA?

8 A: CAP receives funding from AVISTA to provide energy conservation measures to
9 electrically heated homes of low income customers located within AVISTA's Idaho service area.
10 Pursuant to its contract with AVISTA, CAP is allowed up to 15% of the subtotal for health and
11 safety measures and 15% for Administrative costs.

12 There are two specific programs that AVISTA funds. The first is the regular
13 weatherization program. With this program, CAP is reimbursed for major weatherization
14 measures such as attic, wall, and floor insulation, duct and pipe wrap, as well as infiltration (i.e.,
15 air leakage). In order for a home to qualify for funding under this program, it must have an "R"
16 number, which is the total kilowatt usage per year, of at least 4000, and at least one major
17 measure addressed (e.g., attic insulation). As discussed later, I propose that this R number
18 requirement be removed from the contract with AVISTA. The reason I make this
19 recommendation is that many customers who are in need of weatherization and qualify as low
20 income, are relatively low electricity users. Seniors, in particular, are quite frugal in their
21 consumption of electricity. The R number is provided by AVISTA and is the reason why many
22 homes with alternative heat sources do not qualify for this program.

23 The second AVISTA program is the "Energy Exchange Program." This program pays
24 for the change-out of electric space heat and water heat to natural gas. Under this program, CAP
25 is reimbursed 100% of actual costs, but also requires an "R number" of at least 4000. This

1 means that to qualify for weatherization, the household must consume more than 4000 kilowatt
2 hours per month.

3 Q: Please describe the typical housing structure that low income AVISTA customers reside
4 in?

5 A: Approximately 55% of the housing stock are mobile homes. These homes are generally
6 in fair condition, but because of the nature of their construction, they are highly energy
7 inefficient. As mentioned, they often have had added to them a secondary, unsafe, heat source.
8 Because of problems associated with the use of aluminum wiring, the inability to install wall
9 insulation, and AVISTA's R number criterion, these homes usually do not qualify for AVISTA's
10 regular weatherization program and receive no funding from the Company. This places
11 additional burden on D.O.E. resources which have already been drastically reduced based on the
12 2000 Census.

13 In 2003, CAP was granted federal funding of 128 homes in the Region 2 area and 185
14 homes in Region 1. For 2004, CAP's funding will allow weatherization of only 93 homes in
15 Region 2 and 187 in Region 1. This does not include any AVISTA funding.

16 Q: Is there a backlog of households eligible for weatherization funding under the AVISTA
17 weatherization program?

18 A: Yes. CAP is unable to advertise the weatherization program because it has already
19 exhausted its allocated monies. To advertise would only provide false hope to those in need.
20 Because of the small number of households in some counties, CAP has a very large waiting list.
21 For example, in Lewis County, CAP has more than 60 households on its waiting list and is
22 projecting only 5 households weatherized per year in that county.

23 In Idaho County, there are approximately 100 households on the waiting list and we are
24 projecting weatherizing only 20 per year in that county. Clearwater County is our largest county
25 with approximately 145 households waiting weatherization. We project being able to

1 weatherize only 10 units per year in that county. Clearwater County was hit hard, economically,
2 over the last few years when the Potlatch plywood mill was shut down.

3 We have more people on our priority list than we have available federal funds for these
4 three counties alone. Occasionally, CAP attempts to update its waiting lists and remove those
5 whose income eligibility has lapsed. Some of those customers have given up seeking
6 weatherization due to their perception that it will never occur and the inconvenience of being
7 required to re-verify their eligibility every year.

8 Q: Are there any program changes that you recommend?

9 A: Yes. I propose changing the current contract between AVISTA and CAP to add
10 windows and doors as allowable weatherization measures funded by AVISTA toward meeting
11 the S.I.R. ("savings to investment ration") of 1.0 and to allow for base load measures to be
12 included. Base load measures include non-heating or cooling measures such as energy efficient
13 appliances.

14 In 2004 alone, 9449 households qualified for LIHEAP making them also eligible for
15 AVISTA's weatherization program. There are approximately 21,000 households currently
16 eligible for AVISTA weatherization. At current funding levels and program design, it would
17 take nearly 70 years to meet all the needs in North Idaho.

18 Q: In light of this, do you recommend increasing AVISTA's low income weatherization
19 level of funding?

20 A: Yes. I propose increasing AVISTA'S funding to the weatherization program from the
21 current 2004 level of \$108,208 (Idaho only) to \$490,000.

22 Q: What is the basis for this recommendation?

23 A: Assuming the incorporation of my proposed program design changes (to include base
24 load measures as allowable costs, eliminate the R number requirement, etc.), CAP would be able
25

1 to weatherize 123 AVISTA units in North Idaho. This constitutes an average of 10 per month at
2 an average cost of \$4,000 per unit and a total budget of \$490,000 annually.

3 Q: How does this recommended funding level compare to the Idaho Power low income
4 funding level recently approved by the Commission?

5 A: Idaho Power has 61,000 customers below 150% of the federal poverty guidelines in its
6 Idaho service area. AVISTA has 25,000 such customers. Thus, the \$490,000 budget for
7 AVISTA would be proportionate to the \$1.2 million Idaho Power budget.

8 III. CONCLUSION

9 Q: Would you please summarize your recommendations to the Commission?

10 A: Yes. I recommend the following:

- 11 1) Make necessary changes to the AVISTA weatherization program so that it
12 correlates to D.O.E. regulations and includes addressing all measures which show
13 an S.I.R. of 1.0 or better. This includes weatherization of doors and windows and
14 base load measures.
- 15 2) Increase AVISTA's low incomer weatherization funding level to \$490,000;
- 16 3) Amend the weatherization program to qualify all AVISTA households using
17 electricity as the primary heat source for weatherization, no matter what
18 secondary fuel source is being used. People with all electric heat typically install
19 secondary heat sources because of the relatively high cost of electricity as a
20 heating source.
- 21 4) Amend the weatherization program to eliminate the R number requirement.
22 Again, all households with electricity as the primary heat source should
23 automatically qualify for weatherization.

24 Q: Does this conclude your testimony?

25 A: Yes it does.

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 21st day of June, 2004, I caused to be served the foregoing DIRECT TESTIMONY OF LARRY STAMPER on the following, in the manner indicated.

Scott Woodbury
John Hammond
Idaho Public Utilities Commission
472 W. Washington St.
Boise, ID. 83720-0074

U.S. Mail, postage prepaid
 Hand delivered
 Facsimile
 Overnight mail

David J. Meyer
Senior Vice President and General Counsel
Avista Corporation
P.O. Box 3727
1411 E. Mission Ave., MSC-13
Spokane, WA. 99220-3727

U.S. Mail, postage prepaid
 Hand delivered
 Facsimile
 Overnight mail

Kelly Norwood
Vice President
Avista Corporation
P.O. Box 3727
1411 E. Mission Ave., MSC-7
Spokane, WA. 99220-3727

U.S. Mail, postage prepaid
 Hand delivered
 Facsimile
 Overnight mail

Dennis E. Pesseau, Ph.D.
Utility Resources, Inc.
1500 Liberty St. SE, Ste. 250
Salem, OR 97302

U.S. Mail, postage prepaid
 Hand delivered
 Facsimile
 Overnight mail

Conley E. Ward
601 W. Bannock St.
Boise, ID. 83702

U.S. Mail, postage prepaid
 Hand delivered
 Facsimile
 Overnight mail

Charles L.A. Cox
EVANS, KEANE
111 Main St.
P.O. Box 659
Kellogg, ID. 83837

U.S. Mail, postage prepaid
 Hand delivered
 Facsimile
 Overnight mail


Brad M. Purdy