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 Community Action Partnership  
 Association of Idaho

Idaho Public Utilities Commission  
 Office of the Secretary  
 RECEIVED

AUG 13 2004

Boise, Idaho

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION	)	CASE NOS. AVU-E-04-1
OF AVISTA CORPORATION FOR THE	)	AVU-G-04-1
AUTHORITY TO INCREASE ITS RATES	)	
AND CHARGES FOR ELECTRIC AND	)	COMMUNITY ACTION
NATURAL GAS SERVICE TO ELECTRIC	)	PARTNERSHIP ASSOCIA-
AND NATURAL GAS CUSTOMERS IN THE	)	TION OF IDAHO'S
STATE OF IDAHO.	)	PETITION FOR INTERVENOR
_____	)	FUNDING

COMES NOW, petitioner 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.

**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**

CAPAI addressed issues of importance to the general body of AVISTA's ratepayers, including the Company's overall proposed rate increase and the impact it would have on its low-income customers. CAPAI proposes that the Commission take into account the limitations of AVISTA's low-income customers and the effect the proposed rate increase would have on them in issuing its final ruling.

CAPAI also identified the existence and characteristics of AVISTA's low-income ratepayers and the unique challenges those individuals face in paying the electric bills and the significant gap between the current level of "need" of those customers and available resources. CAPAI proposed the following changes to AVISTA's low-income weatherization program.

- 1) CAPAI proposes that the Commission order AVISTA to increase funding of the low-income weatherization program from current levels to \$350,000 annually.
- 2) Make necessary changes to the AVISTA weatherization program so that it correlates to D.O.E. regulations and includes addressing all measures which show an S.I.R. of 1.0 or better. This includes weatherization of doors and windows and base load measures.
- 3) Amend the weatherization program to qualify all AVISTA households using electricity as the primary heat source for weatherization, no matter what secondary fuel source is being used. People with all electric heat typically install secondary heat sources because of the relatively high cost of electricity as a heating source, and:

4. Amend the weatherization program to eliminate the “R number” requirement. Again, all households with electricity as the primary heat source should automatically qualify for weatherization.

As the Commission is aware, with respect to a slightly reduced annual funding level arrived at through extensive negotiations, AVISTA agreed to implement virtually all of CAPAI’s proposed changes to the low-income weatherization program. AVISTA did not, however, make any proposals regarding its low-income weatherization program in its application or supporting testimony and exhibits. Were it not for the involvement of and negotiations by CAPAI, these changes would not have been agreed to by AVISTA.

**(03) Statement Showing Costs**

Attached hereto as Exhibit “A” is a statement showing the costs incurred by CAPAI in participating in this proceeding. CAPAI submits that the costs and fees incurred are reasonable.

CAPAI has only previously appeared once before this Commission and relied heavily on its consultant and attorney for both legal and substantive counsel. CAPAI retained Michael Karp as its expert/consultant on technical and policy issues. Mr. Karp was instrumental in brokering the agreement reached between CAPAI and AVISTA. Given that agreement, and to avoid the unnecessary expenditure of time and money, that ultimately would come out of ratepayers’ pockets, Mr. Karp did not appear at the technical hearing as a witness, but his participation in this proceeding was critical.

Mr. Karp was critical in assisting CAPAI establish policy and technical positions and in assisting Ms. Ottens and Mr. Stamper in preparing their testimonies.

In summary, the costs and fees incurred by CAPAI were reasonable.

**(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 operates on a very limited funding basis. The cost to CAPAI of participating in this proceeding constitutes a significant financial hardship.

No other intervenor in this proceeding represented, exclusively, the interests of the residential class, particularly the low-income sector of that class. CAPAI raised issues, and represented the interests of, the general body of AVISTA's ratepayers. For example, the low-income weatherization program for which CAPAI seeks increased funding reduces the consumption of electricity during AVISTA's summer peak season helping to defer the acquisition of marginally-priced resources and provides other system-wide benefits including the reduction of bad debt and arrearages.

**(05) Statement of Difference**

Staff witness Lynn Anderson briefly discussed AVISTA's low-income weatherization program, but did not take a firm position on the appropriate level of funding and made no recommendations regarding program design changes. He simply calculated the LIWA award from the recent Idaho Power rate case (IPC-E-03-13) and calculated what the same total would be for AVISTA based on that company's total number of Idaho customers.

As noted, AVISTA actually agreed to an annual funding level higher than proposed by Staff, but still well within the range of reasonableness. Staff did not weigh in on the numerous program design issues and left it to CAPAI to identify the discrepancy between

the need for low-income weatherization assistance and available resources. Staff's areas of concern and responsibility in the context of a general rate case are, of course, many. It is fair to say that CAPAI was the only intervenor in this proceeding representing low-income customers who are essentially all contained within the residential class. CAPAI makes this point for purposes of satisfying the intervenor funding rules and statutes and is not intended to be disrespectful of Staff.

**(06) Statement of Recommendation**

CAPAI's participation in this case addressed issues of concern to the general body of ratepayers. The problems facing AVISTA's low-income customers are societal problems that affect us all. Specific to AVISTA's other ratepayers, as Teri Ottens testified, when low-income customers cannot pay their electric bills, the Company incurs increased collection and associated costs as well as the write-off of uncollectible accounts. These are costs that are passed on to all ratepayers. If low-income customers are enabled to lower their electric bills through a Company-funded weatherization program, this decreases the likelihood that they will be unable to pay their bills and, consequently, the Company avoids incurring the aforementioned costs.

Furthermore, because the low-income weatherization program is a DSM program, it represents a resource to the Company. It is in the best interests of AVISTA's ratepayers for the Company to have a healthy diversity of resources. By promoting the conservation of electricity consumption, the Company is able to defer the acquisition of new, marginally higher cost, resources.

Though a final Order has not yet been issued, CAPAI's participation in this case contributed materially toward shaping the scope, and focus of the issues and evidence

presented to the Commission and, thus, the ultimate outcome of this proceeding, by offering a perspective not offered by any other party.

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

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

RESPECTFULLY SUBMITTED, this 13th day of August, 2004.

  
Brad M. Purdy

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

**Costs:**

Photocopies	\$54.91
Mileage (Larry Stamper-hearing: 520 miles @ \$0.20)	\$104.00
Telephone conferencing costs	\$78.61
Postage	<u>\$60.23</u>
<b>Total Costs</b>	<b>\$297.75</b>

**Fees:**

Legal	(Brad M. Purdy 100.00 hours @ \$85/hr. <sup>1</sup> )	\$8,500.00
Expert	(Michael Karp-contract fee)	\$3,825.00
<b>Total Fees</b>		<b>\$12,325.00</b>

**Total Expenses** **\$12,622.75**

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<sup>1</sup> This is a discounted "public interest" rate.

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY THAT, I HAVE THIS  th DAY OF AUGUST, 2004, SERVED THE FOREGOING PETITION FOR INTERVENOR FUNDING, IN CASE NO. AVU-E-04-1/AVU-G-04-1, BY MAILING A COPY THEREOF, POSTAGE PREPAID, TO THE FOLLOWING:

Scott Woodbury  
Lisa Nordstrom  
Idaho Public Utilities Commission  
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