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Jean Jewell

From: Ed Howell
Sent: Thursday, October 06, 2005 12:25 AM
To: Jean Jewell; Ed Howell; Gene Fadness; Tonya Clark
Subject: Comment acknowledgement

WWW Form Submission:

Wednesday, October 05, 2005
11:25:19 PM

Case: AVU-G-05-02
Name: Gene Carpenter
Street Address: POB 1746
City: Hayden
State: ID
ZIP: 83835
Home Telephone: 208-762-4851
E-Mail: gene@uidaho.edu
Company: Avista
Comment_description: September 5, 2005

TO: Idaho Public Utilities Commission
FR: Gene Carpenter
RE: Increase in rates for electricity and gas (Avista)

Yearly rate increases for electricity and gas are getting out of hand. I think that Avista Utilities forgets that it exists as a state approved monopoly. As such it owes its customers some consideration when setting its rates. Instead Avista appears to give consideration only to the holders of its stock. A rate of return of 10.4 percent is higher than many companies without exclusive rights to sell their products to their customers can expect to generate.

Some of the 10.4 percent ought to be used to beef up generation and transmission systems, purchase of power plants, and improvement to dams. Companies without the advantage of being a publicly approved monopoly must use their profits to pay for operational expenses. I suspect Avista is still trying to make their customers pay for the mistakes they made during the electricity shortages of a few years ago.

One of the sources of electrical power, BPA, has said they will reduce cost by 1.6 percent. This does not sound like much but it can amount to a large sum when large amounts of power are purchased from this sources.

This yearly increase in the cost of electricity and gas is pushing the cost of essential energy beyond what many of the consumers can pay. They have not received equivalent yearly increases in their incomes. Some consideration needs to be given to this.

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