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IDAHO PUBLIC
UTILITIES COMMISSION

Attorney for Idaho Conservation League

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE)
APPLICATION OF AVISTA)
CORPORATION DBA AVISTA)
UTILITIES FOR AUTHORITY TO)
INCREASE ITS RATES AND)
CHARGES FOR ELECTRIC AND)
NAUTRAL GAS SERVICE IN IDAHO)

CASE NO. AVU-E-11-01
AVU-G-11-01

**APPLICATION FOR
INTERVENOR FUNDING**

COMES NOW, the Idaho Conservation League (“ICL”), pursuant to Idaho Code § 61-617A and IDAPA 31.01.01.161–165 with the following application for intervenor funding. On August 5, 2011, in Order No 32317, the Commission granted ICL’s intervenor status.

I. Idaho Code § 61-617A and IDAPA Rule 31.01.01.161 Requirement

Avista Corporation, doing business as Avista Utilities, is a regulated public utility with gross Idaho intrastate, annual revenues exceeding three million, five hundred thousand dollars (\$3,500,000.00).

II. IDAPA Rule 31.01.01.162 Requirements

1. Itemized list of Expenses

The attached Exhibit A is an itemized list of expenses incurred by ICL in this proceeding.

2. Statement of Proposed Findings

The parties entered into a stipulation and settlement of this case on August 26, 2011. ICL signed the stipulation and believes the Commission should approve it. This application for

intervenor funding is to support ICL's efforts in preparing for the case and participating in the settlement negotiations. During these negotiations, ICL argued for settlement terms unique to the PUC Staff and other parties. ICL specifically argued for several terms that appear in the stipulation including: withdrawing Avista's request to decrease the energy efficiency rider in AVU-E-11-02, an agreement to discuss the merits of inclining or declining block rates for service schedules 11, 21, 25 and 31 prior to the next general rate case, and limiting the residential service charge increase to \$0.25 for both electric and gas customers. In addition, ICL argued against terms proposed by Avista that do not appear in the stipulation -- the proposed energy efficiency load adjustment, and decreasing the natural gas efficiency tariff riders. Finally, ICL joined the other customer groups and Staff in limiting the overall revenue requirement. Section 5 of this application explains how these positions differed from the Staff.

3. Statement Showing Costs

ICL requests \$ 3,625 in intervenor funding, as shown in Exhibit A, only for attorney's fees. Both the hourly rate and hours expended are reasonable for this complex case. ICL's attorney billing rate is below the current range for other intervening parties to account for his fewer years of experience.

4. Explanation of Cost Statement

ICL is a nonprofit organization supported solely through charitable donations from foundations and our members. In this proceeding, ICL represents its member and supporters who are ratepayers of Avista, as well as those who have an interest in promoting energy efficiency throughout Idaho. To provide consistent, professional, and impactful advocacy for our members and supporters ICL has shifted its budgeting to dedicate a full-time, highly trained

staff member to energy issues. The cost of employing and training this staff member is a significant financial commitment in a time of difficult fundraising. Because charitable contributions are inherently unstable, the availability of intervenor funding is essential for ICL to participate in these in proceedings.

5. Statement of Difference

The stipulation both includes and omits terms ICL argued for and against that are distinct from the Staff's positions or where not addressed by the Staff.

ICL argued against a proposal to reduce the electric efficiency rider to offset the rate increase. Our basis for this position, that rider funding should only be tied to efficiency potential, is distinct from the Staff position that the reduction was so small that the benefit to customers of rate stability overrode the need to reduce funding. As a result, the stipulation includes Avista's commitment to withdraw their request to reduce the electrical efficiency rider filed in Case AVU-E-11-02. While the result is the same, ICL provided a distinct argument that influenced this outcome.

At one point the parties considered a reduction in the natural gas efficiency rider as a means to offset the gas rate increase. Staff initially supported this term arguing that the proposed reduction would leave sufficient funding for efficiency. ICL rejected the notion of using rider funding to offset rate increases and argued the issue should be addressed in the current separate case AVU-G-11-03, a process that did in fact occur. The stipulation describes a potential reduction in the gas efficiency rider as "illustrative" and not part of the stipulation.

ICL also argued against two proposed terms that did not appear in the stipulation. Avista's direct testimony included a new Energy Efficiency Load Adjustment. During negotiations, Staff initially expressed interest in a settlement term establishing a process to

review this proposal through a separate proceeding, similar to the process used for Idaho Power's fixed cost adjustment. ICL argued against this mechanism as a poor policy choice to address disincentives for the company to invest in energy efficiency and urged the parties to reject the mechanism outright.

Finally, ICL is the only party that addressed rate design issues. Avista's general service and irrigation rate schedules all include declining block rates for the energy charge component. ICL believes declining blocks do not send a conservation signal and thus should be changed. To address this issue ICL exacted a commitment to review the merits of these rate designs in the forthcoming cost of service workshops. For residential customers, Avista's direct testimony requested an increase in the service charge of \$1.00 for both electric and gas. ICL is the only party who addressed this issue and reduced the increase to only \$0.25.

6. Statement of Recommendation

ICL's positions, reflected by terms both included and excluded from the stipulation, address issues germane to all of Avista's customers. Since every customer pays the energy efficiency riders, the level affects every customer. Likewise, the proposed energy efficiency load adjustment would have affected the overall revenue requirement, an issue that affects every customer. ICL is the only party who addressed rate design issues. The stipulation includes adjustments to the residential service charge that has an immediate impact, as well as commitments to review the rate designs for all other classes before the next rate case.

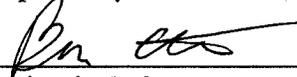
7. Statement Showing Class of Customer

ICL's individual member and supporters are residential customers of Avista in Idaho.

WHEREFORE, ICL respectfully requests the Commission grant this application.

DATED this 23rd day of September 2011.

Respectfully submitted,



Benjamin J. Otto

On behalf of the Idaho Conservation League

EXHIBIT A

Attorney Fees for Benjamin J. Otto – Total: \$3,625
29 Hours at \$125 per hour

7/30/11	Initial review of Avista testimony to identify issues	1:45
8/1/11	Review policy context, rate of return, and financial testimony	0:45
8/2/11	Review power costs and cost of service testimony	1:15
8/3/11	Create discovery log, process Staff request #2	0:30
8/3/11	Review Avista 2011 IRP re: load growth, power supply, and DSM issues	2:30
8/8/31	Review testimony on rate design and energy efficiency load adjustment	1:45
8/8/31	Review Avista Dockets in Washington re: decoupling and energy efficiency load adjustment	3:30
8/9/11	Prepare case outline and materials for settlement	2:30
8/10/11	Prepare case outline and materials for settlement	1:45
8/16/11	Discovery log: process Staff third request and Avista's responses	1:00
8/16/11	Prepare for settlement	1:30
8/17/11	Settlement negotiations	6:00
8/23/11	Review stipulation and conf with other parties re: ICL position	0:30
8/24/11	Conf with Avista re stipulation terms	0:30
8/24/11	Review stipulation and provide edits	0:30
8/25/11	Review final stipulation and submit signature	0:30
9/23/11	Prepare application for intervenor funding	2:15

CERTIFICATE OF SERVICE

I hereby certify that on this 23rd day of September 2011, I delivered true and correct copies of the foregoing APPLICATION FOR INTERVENOR FUNDING to the following persons via the method of service noted:

US MAIL:

Jean Jewell
Commission Secretary (Original and seven copies provided)
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