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IDAHO PUBLIC
 UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NOS. AVU-E-12-08
OF AVISTA CORPORATION DBA AVISTA)	AVU-G-12-07
UTILITIES FOR AUTHORITY TO)	
INCREASE ITS RATES AND CHARGES FOR)	COMMUNITY ACTION
ELECTRIC AND NATURAL GAS SERVICE)	PARTNERSHIP ASSOCIATION
IN IDAHO)	OF IDAHO'S PETITION FOR
)	INTERVENOR FUNDING
)	

I. INTRODUCTION

COMES NOW, the 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 31.01.01.161-165, petitions this Commission for an award of intervenor funding in the above-captioned proceeding.

II. BACKGROUND

Because this case was settled through confidential negotiations pursuant to IDAPA 31.01.01.272, CAPAI will not divulge anything discussed during the two settlement meetings leading to the Settlement Stipulation, but wishes to describe, in general terms, the nature, scope and extent of CAPAI's involvement in this proceeding for the purpose of satisfying the requirements of the procedural rules regarding intervenor funding.

CAPAI often weighs in on more than low-income weatherization in general rate cases. Its areas of interest and focus sometimes include cost of service and rate design, among other things. CAPAI did not sign the Settlement Stipulation because the document was filed with the Commission before CAPAI had ample opportunity to thoroughly analyze a number of issues of considerable importance not just to low-income customers, but to the Company's entire residential class. These issues centered primarily around rate design. Residential rate design changes were not proposed or analyzed in the Settlement Stipulation or testimonies filed by Avista and Staff. CAPAI endeavored in the course of this proceeding to obtain more accurate and valuable low-income consumption data and to assess the impact that various rate designs have on Avista's low-income residential customers.

In order to accomplish this objective, CAPAI worked with Avista and Staff to identify and implement means to obtaining information that has been sparse, outdated and even non-existent up until now; the consumption characteristics of actual low-income customers. Though CAPAI has access to certain low-income utility data such as a small number of low-income customer monthly electric bills, the utilities themselves are the best and sometimes only source from which to obtain all the data necessary to more thoroughly understand the impact that differing rate designs have on these customers.

For various reasons, utilities have not historically made much if any attempt to track low-income data. Though customer confidentiality has historically been offered as a reason why such data cannot be obtained and shared by the utilities, the fact is that low-income data can be identified, collected, and shared by using LIHEAP recipients as a proxy, and cross-referencing their addresses to identify households that are reasonably considered low-income and collect their data. This raw data can then be shared with others without revealing the identities of the

individual customers. CAPAI respectfully submits that such data would not only assist CAPAI in pursuit of its objectives, but better inform the Commission in reaching decisions regarding rate design and other important issues.

Though the Settlement Stipulation includes no changes to Avista's residential class rate design, this should not be construed to mean that this set of issues was not analyzed. CAPAI and its agents conducted an analysis sufficient to determine whether there exists some substantial inequity in Avista's current residential rate design such that CAPAI could not, in good conscience, sign off on or otherwise join in the proposed settlement.

CAPAI notes that Avista was very cooperative and responsive in providing updated low-income consumption data, revisions of that data to reflect actual monthly versus average usage, and in performing numerous model runs in which the various rate design components of the residential class were altered to determine how changes to any one of the components impacts low-income customers' bills. Staff provided helpful input in this respect as well. All of this was done informally in order to expedite CAPAI's analysis to enable it to take a position prior to the deadlines imposed by the Commission in its Notice of Amended Schedule and Order No. 32740 issued February 12, 2013.

Using the data provided by Avista, CAPAI went to considerable effort to further analyze it by performing its own model runs with changes to the following rate design components: 1) the basic monthly charge, 2) the consumption level separating the two tiers of Avista's existing residential rate design, 3) the introduction of a third tier, and 4) changing the commodity pricing of the different tier levels. All of this was done while keeping in mind the Commission's general policy to send proper price signals and impose costs on those who cause them to be incurred. The work performed by CAPAI revealed not only low-income consumption patterns and levels

but also the impact of varying rate designs to those customers' bills. This same data is also applicable to the entire residential class.

Though CAPAI believes that there remains considerable work to be done in enhancing low-income data monitoring and collection and better understanding the true impacts of various rate design alternatives, based on the information obtained and analysis performed, CAPAI saw no reason to advocate for a change to Avista's current rate design for the residential class in this proceeding.

Thus, on February 25, 2013, CAPAI filed a Notice of Joinder in the Settlement Stipulation already executed and filed by the other parties to this case. CAPAI will continue to utilize the data obtained and conclusions drawn in future Avista cases and for other utilities in an ongoing effort to better understand low-income consumption and how best to design a utility's rates to take into consideration that information while sending the appropriate price signals and imposing costs consistent with Commission policies.

III. PROCEDURAL REQUIREMENTS

Rule 161 Requirements:

AVISTA is a regulated, electric and gas public utility with gross Idaho intrastate annual revenues exceeding three million, five hundred thousand dollars (\$3,500,000.00).

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

Like every other party who joined in the settlement, CAPAI supports the settlement in its entirety and proposes that it be approved and adopted by the Commission. CAPAI also proposes that the Commission encourage Avista, Staff, and other utilities to begin, or enhance ongoing efforts, to track and maintain consumption data for the low-income sector of the residential class for the purpose of examining rate design in greater detail in future rate cases.

CAPAI appreciates Avista's willingness to assist in the collection of data and performance of different rate design model runs as requested by CAPAI, but there remains considerable room for improvement for all of Idaho's electric utilities. In summary, CAPAI supports approval of the settlement and offers as a proposed finding by the Commission encouraging utilities and Staff, in future rate cases, to work with CAPAI to identify, collect, monitor, and analyze low-income data, even in those cases that settle.

(03) Statement Showing Costs

CAPAI was the only party in this case to address residential rate design in detail and ensure that low-income interests would not be affected disproportionately and adversely by the proposed settlement. In addition to the analysis and work already described, CAPAI also fully participated in two separate settlement meetings conducted by the parties.

Regarding the reasonableness of CAPAI's costs, CAPAI notes that it has no choice but to minimize its expenses and maximize the effect that its involvement has in proceedings before the Commission in light of its limited financial resources for this type of effort and especially in light of recent federal budget cuts, as outlined above. CAPAI usually must forgo retaining expert witnesses and consultants in highly technical areas and, instead, adopt a resourceful approach using what limited resources that are at its disposal.

Idaho's low-income electric utility customers are facing down increasing bills and decreasing sources of assistance to enable them to continue paying those bills. As of next month, April, 2013, the federal LIHEAP funds received by CAPAI to administer in aid of the poor will be reduced by at least 5% if not more. CAPAI is already operating at a 10% budget reduction in anticipation of this funding decrease. Further exacerbating the problem is the fact that the U.S. Department of Energy low-income weatherization budget will be reduced by a massive two-thirds, roughly 67%. Although the Commission has ordered increases over the past decade to the utility-sponsored low-income weatherization programs, such funds are currently stayed pending the outcome of the Commission's ruling in Case No. GRN-E-12-01. Even assuming that utility-funded weatherization program funding will increase, any such increases will likely be more than offset by federal budget reductions.

Because the foregoing programs effectively constitute the only sources of assistance to the poor in Idaho related specifically to the payment of electric bills, this places increased importance on every single aspect of ratemaking, including rate design. Now more than ever, it is critical to begin to better understand low-income consumption and the impacts that different rate designs have on the poor.

Thus, CAPAI respectfully submits that the costs incurred, and requested in Exhibit "A," are reasonable in amount.

(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 does not have "memberships" and, therefore, does not receive member contributions of any kind. Many of CAPAI's funding sources are unpredictable and impose conditions or limitations on the scope and nature of work

eligible for funding. CAPAI, therefore, has relatively little “discretionary” funds available for all projects.

CAPAI’s sole source of funding to cover the costs of intervention before this Commission is the LIHEAP program. CAPAI’s LIHEAP budget is severely limited and inflexible and funding is about to be reduced as already discussed. The more that such budgets are reduced, the less ability CAPAI has to advocate for the interests of low-income utility customers.

Thus, were it not for the availability of intervenor funds and past awards by this Commission, CAPAI would not be able to participate in cases before this Commission representing an important and otherwise unrepresented segment of regulated public utility customers. Even with intervenor funding, participation in Commission cases constitutes a significant financial hardship because CAPAI must pay its expenses as they are incurred, not if and when intervenor funding becomes available.

(05) Statement of Difference

CAPAI was the only party to fully analyze rate design as it affects residential, low-income customers and waited until it had completed its analysis before joining the settlement. Although Staff ultimately provided helpful input to CAPAI in the latter’s efforts, it is fair to say that CAPAI’s determination to address this important issue before joining in the settlement was a material difference from the position taken by Staff.

(06) Statement of Recommendation

CAPAI’s efforts to assess the impacts of Avista’s current rate design was not limited to low-income customers but was relevant all residential customers. The analysis performed by CAPAI produced useful information to the entire residential class. Because Avista’s residential

class pays for the majority of the Company's overall revenue requirement, anything affecting that class involves issues of concern to the general body of ratepayers.

(07) Statement Showing Class of Customer

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

RESPECTFULLY SUBMITTED, this 20th day of March, 2013.


Brad M. Purdy

CERTIFICATE OF SERVICE

I, the undersigned, hereby certify that on the 20th day of March 2013, served a copy of the foregoing document on the following by electronic mail and/or U.S. mail, first class postage.

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Brad M. Purdy

EXHIBIT "A"
ITEMIZED EXPENSES

Costs:		
	Photocopies/postage	\$225.00
	Total Costs	\$225.00
Fees:		
	Legal (Brad M. Purdy -52.6 hours @ \$150.00/hr.)	\$7,890.00
	Total Fees	\$7,890.00
	Total Expenses	\$8,115.00