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**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE APPLICATION )	CASE NO. AVU-E-15-05
OF AVISTA CORPORATION FOR THE )	CASE NO. AVU-G-15-01
AUTHORITY TO INCREASE ITS RATES )	
AND CHARGES FOR ELECTRIC AND )	
NATURAL GAS SERVICE TO ELECTRIC )	DIRECT TESTIMONY
AND NATURAL GAS CUSTOMERS IN THE )	OF
STATE OF IDAHO )	DON F. KOPCZYNSKI
_____ )	

FOR AVISTA CORPORATION

(ELECTRIC AND NATURAL GAS)

1 I. INTRODUCTION

2 Q. Please state your name, employer and business  
3 address.

4 A. My name is Don F. Kopczynski and I am employed  
5 as the Vice President of Energy Delivery for Avista  
6 Utilities, at 1411 East Mission Avenue, Spokane,  
7 Washington.

8 Q. Would you briefly describe your educational  
9 background and professional experience?

10 A. Yes. Prior to joining the Company in 1979, I  
11 earned a Bachelor of Science Degree in Engineering from  
12 the University of Idaho. I have also earned a Master's  
13 Degree in Engineering from Washington State University, a  
14 Master's Degree in Organizational Leadership from Gonzaga  
15 University, and a Master's Degree in Business  
16 Administration from Whitworth University. Over the past  
17 35 years I have spent approximately 18 years in Energy  
18 Delivery, managing Engineering, various aspects of  
19 Operations, and Customer Service. In addition, I spent  
20 three years managing the Energy Resources Department,  
21 including Power Supply, Generation and Production, and  
22 Natural Gas Supply. I have worked in the areas of  
23 Corporate Business Analysis and Development, and served in  
24 a variety of leadership roles in subsidiary operations for

1 Avista Corp. I was appointed General Manager of Energy  
2 Delivery in 2003 and Vice President in 2004. My current  
3 position is Vice President of Energy Delivery. I serve on  
4 several boards, including the Common Ground Alliance,  
5 American Gas Association, Northwest Harvest and the  
6 Washington State University Advisory Boards.

7 **Q. What is the scope of your testimony?**

8 A. I will provide an overview of the Company's  
9 electric and natural gas energy delivery facilities, a  
10 summary of Avista's customer support programs in Idaho and  
11 an update on our continuing Natural Gas Pipeline  
12 Replacement Program.

13 A table of the contents for my testimony is as  
14 follows:

15	<u>Description</u>	<u>Page</u>
16	I. Introduction	1
17	II. Overview of Avista's Energy	
18	Delivery Service	3
19	III. Customer Support Programs	5
20	IV. Ongoing Pipeline Replacement	12

21 **Q. Are you sponsoring any Exhibits in this**  
22 **proceeding?**

23 A. Yes. I am sponsoring Exhibit No. 8, Schedule 1  
24 which shows the number of customers and customer energy  
25 usage for each customer class. Additionally, Exhibit No.  
26 8, Schedule 2 is the Company's Aldyl A Pipe Replacement

1 Update for select areas of its Idaho natural gas  
2 distribution system.

3

4 **II. OVERVIEW OF AVISTA'S ENERGY DELIVERY SERVICE**

5 **Q. Please describe Avista Utilities' electric and**  
6 **natural gas utility operations.**

7 A. Avista Utilities operates a vertically-  
8 integrated electric system in Idaho and Washington. In  
9 addition to the hydroelectric and thermal generating  
10 resources described by Company witness Mr. Kinney, the  
11 Company has approximately 18,300 miles of primary and  
12 secondary electric distribution lines. Avista has an  
13 electric transmission system of 685 miles of 230 kV lines  
14 and 1,534 miles of 115 kV lines.

15 Avista owns and maintains a total of 7,650 miles of  
16 natural gas distribution lines, and is served off of the  
17 Williams Northwest Pipeline and Gas Transmission Northwest  
18 pipelines. A map showing the Company's electric and  
19 natural gas service area in Idaho, Washington, and Oregon  
20 is provided by Company witness Mr. Morris in Exhibit No.  
21 1, Schedule 2.

22 As detailed in the Company's 2013 Electric Integrated  
23 Resource Plan, Avista expects retail electric sales growth  
24 to average 1.1% annually for the next ten years in

1 Avista's service territory, primarily due to increased  
2 population and business growth.<sup>1</sup> In 2014, throughout its  
3 service territory, Avista had 4,782 new electric  
4 residential customer connections and 4,362 for 2013.<sup>2</sup>

5 Based on Avista's 2014 Natural Gas Integrated  
6 Resource Plan, in Idaho/Washington the number of natural  
7 gas customers is projected to increase at an average  
8 annual rate of .99%, with demand growing at a compounded  
9 average annual rate of 1.03%.<sup>3</sup> New natural gas customer  
10 connections for all customer classifications in Idaho and  
11 Washington were 5,361 in 2014 and 4,484 in 2013.

12 **Q. How many customers are served by Avista**  
13 **Utilities in Idaho?**

14 A. Of the Company's 370,194 electric and 329,722  
15 natural gas customers (as of December 31, 2014), 127,134  
16 and 78,061, respectively, were Idaho customers.

17 **Q. Please describe the Company's operation centers**  
18 **that support electric and natural gas customers in Idaho.**

19 A. The Company has construction offices in Bonners  
20 Ferry, Coeur d' Alene, Grangeville, Kellogg, Lewiston-  
21 Clarkston, Moscow-Pullman, Orofino, St. Maries, and

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<sup>1</sup> A copy of the Company's 2013 Electric IRP has been provided by Mr. Kinney as Exhibit No. 4, Schedule 1.

<sup>2</sup> A new customer connection as defined by Avista is when a customer receives a bill for the first time at a particular premises/location.

<sup>3</sup> A copy of the Company's 2014 Natural Gas IRP has been provided by Company witness Ms. Morehouse as Exhibit No. 7, Schedule 1.

1 Sandpoint. Avista's three customer contact centers,  
2 located in Coeur d'Alene and Lewiston, Idaho, and Spokane,  
3 Washington are networked, allowing the full pool of  
4 regular and part-time employees to respond to customer  
5 calls in all jurisdictions.

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### III. CUSTOMER SUPPORT PROGRAMS

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**Q. What customer support programs does Avista provide for its customers in Idaho?**

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A. Avista Utilities offers a number of programs for its Idaho customers, such as energy efficiency programs, Project Share for emergency assistance to customers, a Customer Assistance Referral and Evaluation Service (CARES) program, senior outreach programs, level pay plans, and payment arrangements. Through these programs the Company works to ease the burden of energy costs for customers that have the greatest need.

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To assist our customers in their ability to pay, the Company focuses on actions and programs in four primary areas: 1) advocacy for and support of energy assistance programs providing direct financial assistance; 2) low income and senior outreach programs; 3) energy efficiency and energy conservation education; and 4) support of

1 community programs that increase customers' ability to pay  
2 basic costs of living.

3 In the 2013-2014 heating season, 11,331 Idaho  
4 customers received approximately \$2,035,878 million in  
5 various forms of energy assistance (Federal LIHEAP  
6 program, Project Share, and local community funds).

7 **Illustration No. 1: Distribution of Energy Assistance**  
8 **Funding**

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Idaho 2013-2014 Heating Season		
(10/01/13 to 9/30/14)		
	# of Grants	Amount
LIHEAP	8,793	\$ 1,559,275
Project Share	394	\$ 76,441
Misc Grants*	2,144	\$ 400,162
<b>Total</b>	<b>11,331</b>	<b>\$ 2,035,878</b>

19 \*Local Community Funds administered through CARES  
20

21 Avista is committed to reducing the burden of energy  
22 prices for our customers most affected by rising energy  
23 prices, including low income individuals and families,  
24 seniors, disabled and vulnerable customers.

25 **Q. Please describe the recent results of the**  
26 **Company's Project Share efforts.**

27 A. Project Share is a community-funded program  
28 which also Avista contributes to in order to provide  
29 emergency support to low-income families in the Company's  
30 region. Avista employees, customers and shareholders

1 voluntarily contribute to the fund which is distributed  
2 through local community action agencies to customers in  
3 need. Grants are available to those in need without  
4 regard to their heating source. In the 2013-2014 heating  
5 season, Avista Utilities' customers, employees, and Avista  
6 Corp. donated \$494,313.21 on a system-wide basis, of which  
7 \$76,441.07 was directed to Idaho Community Action  
8 Agencies.

9 **Q. What other bill-assistance programs does the**  
10 **Company offer?**

11 A. In an effort to assist and educate customers  
12 about payment options such as Comfort Level Billing,  
13 flexible payment plans, and preferred due dates, the  
14 Company developed a campaign (Customer Bill Assistance  
15 Campaign) encouraging customers to learn about and enroll  
16 in the various bill assistance options available to them.  
17 This Campaign was launched in December 2013 in all of the  
18 Company's service areas. The campaign briefly explains  
19 the payment options discussed above and encourages the  
20 customer to contact Avista to enroll or find out more.  
21 The Comfort Level Billing program has been well-received  
22 by participating customers, with approximately 20,682, or  
23 14%, of Idaho electric and natural gas customers enrolled  
24 in the program.

1           In addition, the Company's Contact Center  
2 Representatives work with customers to set up payment  
3 arrangements to pay energy bills, and choose a preferred  
4 due date. In 2014, 27,878 Idaho customers were provided  
5 with over 52,764 such payment arrangements.

6           To support the efficient and timely processing of  
7 energy assistance grants for our customers, the Company  
8 has the Avista Energy Assistant Work Bench: The "Avista  
9 Energy Assistant" is a web-based, self-service tool which  
10 enables Community Action Agencies (CAA) to access customer  
11 usage history and credit and collection information needed  
12 to qualify customers for energy assistance grants. With  
13 the customer's permission, the CAAs are able to access the  
14 information they need, as well as enter grant information  
15 on the customer's Avista account. In many cases, the CAAs  
16 are able to stop collection activity by entering the grant  
17 commitment, serving our customers in a timely manner and  
18 saving CAAs the time of calling the Company.

19           **Q. Please summarize Avista's CARES program.**

20           A. In Idaho, Avista is currently working with over  
21 764 special needs customers in the CARES program.  
22 Specially-trained representatives provide referrals to  
23 area agencies and churches for customers with special  
24 needs for help with housing, utilities, medical

1 assistance, etc. One of the benefits we have in utilizing  
2 CARES representatives is the ability to evaluate each  
3 customer, based on their specific need, and to educate  
4 them on what assistance is available within the community.  
5 A goal of the program is to enable customers to manage not  
6 only their Avista bill, but other bills and needs as well.

7 **Q. Does the Company perform any other outreach to**  
8 **its customers?**

9 A. Yes. The following are examples of outreach  
10 programs that are available to customers:

11 **1. Energy Workshops:** With the help of the Avista  
12 Conservation Energy Education Team, 16 Energy  
13 Workshops were facilitated in 2014. Approximately,  
14 470 seniors and low-income individuals were reached  
15 and given Home Energy Saving kits along with  
16 learning about low-cost/no-cost ways to reduce  
17 energy use. Each kit contains energy-saving items  
18 such as an LED light bulb, plastic window covering,  
19 draft stoppers for exterior light switches and  
20 outlets, and weather-stripping. The Company talks  
21 with workshop participants about reducing their  
22 energy use very respectfully and carefully to  
23 assure health, safety and comfort. We discuss  
24 lifestyle changes that could be made and steps to  
25 take before turning the thermostat up, and not  
26 keeping the thermostat too low. Additionally, we  
27 provide information about bill/payment and online  
28 tools and resources (such as information about  
29 rebates, and the Community Action Agency and  
30 accessing energy assistance appointments).

31  
32 **2. Energy Fairs:** In 2014 Avista initiated and hosted  
33 two (2) Energy Fairs in Idaho - one in Lewiston,  
34 and one in Coeur d'Alene, Idaho. The fairs  
35 provided information and demonstrations on energy  
36 assistance, energy efficiency and home  
37 weatherization to limited income families and

1 senior citizens. Nearly 550 people attended the  
2 two Idaho fairs. The Energy Fairs provide an  
3 environment for customers to learn about billing  
4 options and energy assistance, while offering them  
5 tips and tools to help manage their financial  
6 resources with regards to energy use. Additionally,  
7 community partners are invited to host a booth and  
8 provide information about their services, such as  
9 finance management, employment opportunities,  
10 health care and senior programs.  
11

12 **3. Energy Resource Van:** Mobile Outreach is conducted  
13 through the Avista Energy Resource Van (ERV) where  
14 visitors can learn about effective tips to manage  
15 their energy use, bill payment options and  
16 community assistance resources. The ERV is fully  
17 loaded with energy efficiency items such as rope  
18 caulk, weather-stripping and door sweeps. In  
19 Idaho, Avista Outreach partners with 2<sup>nd</sup> Harvest and  
20 the Idaho Food Bank to reach individuals through  
21 mobile food bank distribution. These partnerships  
22 enabled the Company to reach customers in rural  
23 communities such as Sandpoint, Bolvill, Juliaetta,  
24 and Craigmont, Idaho. In 2014, there were 19 ERV  
25 events that reached 3,319 individuals.

26 **Illustration No. 2: Customers being assisted**  
27 **by Avista's Energy Resource Team**



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1           **4. General Outreach:** General Outreach includes bill  
2           payment options and assistance resources in senior  
3           and low income publications. General Outreach can  
4           also be accomplished by providing energy management  
5           information and resources at events (such as  
6           resource fairs) and through partnerships that reach  
7           our target populations.

- 8
- 9           ▪ **Senior Publications:** Avista has created a one-  
10          page advertisement that has been placed in  
11          senior resource directories to reach seniors  
12          with information about energy efficiency,  
13          Comfort Level Billing, Avista CARES, and energy  
14          assistance. This advertisement is featured in  
15          the Senior Directory that is distributed in  
16          Northern Idaho, and includes a Quad Cities  
17          edition for Moscow, Pullman, Lewiston, and  
18          Clarkston.

19           **5. Conservation Education through Community Action**

20           **Partnership:** A \$50,000 conservation education (ConEd)  
21           grant funded through the DSM tariff rider was provided  
22           to the Community Action Partnership (CAP) in Lewiston.  
23           The grant covers the costs for brochures and flyers to  
24           reach individuals seeking energy assistance at the CAP  
25           offices and in the service area. The objectives of  
26           CAP's low income consumer energy conservation education  
27           program include:

- 28
- 29           ▪ Increase ConEd knowledge and awareness by low  
30           income individuals,
  - 31           ▪ Build capacity for ConEd in local communities,  
32           and
  - 33           ▪ Decrease energy consumption.

34

35           These objectives are achieved through low, medium  
36           and high impact strategies. These strategies start  
37           with basic awareness building (low impact)  
38           activities and through print materials that are  
39           available to individuals as they wait for their  
40           energy assistance appointment in CAP offices.  
41           Medium impact includes workshops and participation  
42           in community events to increase individual  
43           knowledge of energy conservation. Finally, high  
44           impact activities include one-on-one education for  
45           those who are receiving weatherization and other

1 energy efficiency installations in their home. The  
2 CAP recognizes this strategy as providing the  
3 greatest opportunity for lasting behavioral change.  
4

5 **IV. ONGOING PIPELINE REPLACEMENT PROGRAM**

6 **Q. Please describe Avista's ongoing program for**  
7 **managing its Aldyl A polyethylene natural gas pipe.**

8 A. The Company is continuing its twenty-year  
9 program to systematically replace select portions of the  
10 DuPont Aldyl A polyethylene pipe in its natural gas  
11 distribution system in the States of Idaho, Washington,  
12 and Oregon. In 2011, Avista identified approximately 721  
13 miles of priority Aldyl A main pipe and approximately  
14 16,000 transition tees for replacement in its system, and  
15 developed a protocol for managing this piping. Avista  
16 began replacement of Priority Aldyl A pipe under the  
17 protocol in 2011.

18 **Q. Has the Company completed plans other than its**  
19 **protocol that document this program?**

20 A. Yes. Avista's Gas Facilities Replacement  
21 Program (GFRP) has developed a multi-year replacement plan  
22 that is supported by a Business Case and capital funding  
23 recognized by Avista's Capital Budget Planning Process  
24 (2012-2019). A copy of the Company's Aldyl A Pipe  
25 Replacement Update, provided to the Idaho Public Utilities

1 Commission (IPUC) in January 2015, is included as Exhibit  
 2 No. 8, Schedule 2. Prior to the start of each  
 3 construction season, the GFRP communicates with the IPUC's  
 4 Pipeline Safety Staff and provides a program update which  
 5 includes a multi-year replacement plan covering 2013-2017,  
 6 current year work plan, and previous year results summary.

7 **Q. Please summarize the Company's progress and**  
 8 **future plans for this program in its Idaho service**  
 9 **territory?**

10 A. The following table shows the miles of Aldyl A  
 11 main pipe replaced, number of Service Tee Transition  
 12 Rebuilds (STTR) completed, and the associated capital  
 13 investment in Avista's Idaho service area under this  
 14 program in 2013 and 2014, as well as planned activities  
 15 and investment for the years 2015 through 2017.

16 **Illustration No. 3: Aldyl A main pipe replacement and**  
 17 **service tee transition rebuilds**  
 18

Year	Miles of Main Pipe	Number of Tees	Investment
<b><u>Actual</u></b>			
2013	0	400	\$613,589
2014	3.4	933	\$3,232,255
<b><u>Planned</u></b>			
2015	3.5	625	\$3,540,000
2016	3.6	625	\$3,500,000
2017	3.7	625	\$1,700,000
<b>Total</b>	14.2	3,208	\$12,585,844

25

1           The capital investment for the program for the  
2 periods 2015 through 2017 is discussed further in the  
3 direct testimony of Company witness Ms. Schuh.<sup>4</sup>

4           **Q. Does this conclude your pre-filed direct**  
5 **testimony?**

6           A. Yes.

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<sup>4</sup> The amounts included in Ms. Schuh's capital additions for Idaho gas Aldyl A (and the requested revenue requirement) in the Company's filing are lower than the amounts noted here as these amounts were updated after the completion of the Company's final natural gas revenue requirement. These program costs will be updated during the process of this case.