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IDAHO PUBLIC  
UTILITIES COMMISSION

November 6, 2015

Ms. Jean Jewell  
Secretary  
Idaho Public Utilities Commission  
472 W. Washington  
Boise, ID 83702

Re: Case No. UWI-W-15-01

Dear Ms. Jewell:

Enclosed, please find an original and nine (9) copies of Community Action Partnership Association of Idaho's Testimony of Christina Zamora in Support of Settlement Stipulation. Also included is a CD containing the testimony for the Court Reporter.

Yours truly,

  
Brad M. Purdy

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IDAHO PUBLIC UTILITIES COMMISSION

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**BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

9 **IN THE MATTER OF THE APPLICATION ) CASE NO. UWI-W-15-01**  
 10 **OF UNITED WATER IDAHO, INC. FOR )**  
 11 **AUTHORITY TO INCREASE ITS RATES )**  
 12 **AND CHARGES FOR WATER SERVICE IN )**  
 13 **THE STATE OF IDAHO. )**  
 14 \_\_\_\_\_ )

**COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO'S**

**DIRECT TESTIMONY OF CHRISTINA ZAMORA**

**IN SUPPORT OF SETTLEMENT STIPULATION**

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## I. INTRODUCTION

11 Q: Please state your name and business address.

12 A: My name is Christina Zamora. I am the Executive Director of the Community Action  
13 Partnership Association of Idaho headquartered at 3350 W. Americana Terrace, Suite  
14 360, Boise, ID 83706.

15 Q: On whose behalf are you testifying in this proceeding?

16 A: The Community Action Partnership Association of Idaho (“CAPAI”) Board of Directors  
17 asked me to present the views of an expert on, and advocate for, low income customers of  
18 United Water Idaho.  
19

## II. BACKGROUND

20 Q: Please describe CAPAI’s organizational structure and the functions it performs, relevant  
21 to its involvement in this case.

22 A: CAPAI is an association of the following private, nonprofit organizations that fight  
23 poverty in Idaho: 1) The Community Action Partnership (CAP-N & CAP-NC); 2) El  
24 Ada, Inc. (El Ada); 3) The Western Idaho Community Action Partnership (WICAP); 4)  
25 The South Central Community Action Partnership (SCCAP); 5) The Southeastern Idaho  
Community Action Agency, Inc. (SCCAP); 6) The Eastern Idaho Community Action  
Partnership, Inc. (EICAP); 7) The Community Council of Idaho, Inc. (CCI), and; 8) The  
Canyon County Organization on Aging, Weatherization and Human Services, Inc.  
(CCOA). The last two agencies, CCI and CCOA, are designated in CAPAI’s Bylaws as  
“special purpose agencies.” These agencies are focused on providing services to migrant  
and senior populations, respectively. Collectively, the six CAPs along with CCI and  
CCOA are referred to as “member agencies.” For the purposes of the Settlement

1 Stipulation at issue in this proceeding, there is no relevant distinction between a CAP and  
2 special purpose agency.

3 Each member agency has a designated service area. Combining all agencies,  
4 every county in Idaho is served. The agencies design their various programs to meet the  
5 unique needs of communities located within their respective service areas. Not every  
6 agency provides all of the following services, but all work with people to promote and  
7 support increased self-sufficiency. Programs provided by CAPS include: employment  
8 preparation and retention, education assistance child care, emergency food, senior  
9 independence and support, clothing, home weatherization, energy assistance, affordable  
10 housing, health care access, and much more.

11 Q: What is the relationship between CAPAI and the member agencies?

12 A: CAPAI is effectively the umbrella organization that provides a myriad of services to the  
13 members to, among other things, assist them carrying out their individual missions  
14 throughout Idaho. Such services include training and technical assistance, coordination  
15 of resources, program planning and assistance with implementation, programmatic  
16 administrative oversight, and advocacy for the low-income in Idaho.

17 Q: Are the individual member agencies represented on CAPAI's Board of Directors and, if  
18 so, how?

19 A: Yes they are. Each agency has an Executive Director and its own Board of Directors that  
20 establishes policy for that agency. The Executive Director manages the day to day  
21 functions of the agency. In addition, each Executive Director of each member agency sits  
22 on the CAPAI Board of Directors. Thus, there are currently 8 CAPAI Board members.

23 Q: Which of the eight member agencies provide low-income assistance to United Water's  
24 service territory?

1 A: El Ada is the member agency that administers United Water's Cares programs which I'll  
2 discuss later and provides other low income assistance including dissemination of water  
3 conservation kits, provided by United Water, including low-flow showerheads and other  
4 measures designed to reduce consumption. CAPAI monitors the results of the Cares  
5 program and works cooperatively with United Water to ensure that the Cares program  
6 continues to be funded.

7 Q: Have you testified before this Commission in other proceedings?

8 A: Yes, I have testified on behalf of CAPAI in numerous cases involving United Water,  
9 Idaho Power, AVISTA, and Rocky Mountain Power and in generic proceedings.

### 10 III. SUMMARY

11 Q: Please summarize your testimony in this case?

12 A: The purpose of my testimony is to support the settlement stipulation entered into between  
13 CAPAI, United Water, and the Commission Staff and filed with this Commission on  
14 October 8, 2015, accompanied by a Joint Motion to adopt settlement procedure and  
15 approve the Settlement Stipulation executed by all of the aforementioned parties. I also  
16 provide the rationale for CAPAI's support of the settlement including changes to the  
17 United Water "Cares" low-income bill assistance program. Finally, I will explain why I  
18 believe that the settlement is in the general interests not only of United Water's low-  
19 income customers, but the general body of ratepayers as well.

20 Q: Is CAPAI's support for the settlement stipulation unconditional?

21 A: Yes it is

22 Q: Are there any exhibits to your testimony?

23 A: No.



1 resulted from extensive settlement negotiations between all parties over a number of  
2 issues that are covered in the settlement Stipulation.

3 Q: In light of your testimony, do you believe the proposed revenue requirement increase to  
4 be fair, just and reasonable?

5 A: Yes. In combination with other provisions set forth in the proposed Settlement  
6 Stipulation, I believe the proposed revenue requirement increase to be fair, just and  
7 reasonable.

8 **B. Rate Spread/Rate Design:**

9 Q: What is United Water's current rate design for residential customers?

10 A: United Water recovers its revenue requirement through two billing components including  
11 a customer charge that is a fixed amount. United Water bills on a bi-monthly basis so its  
12 customer charge actually represents two months of water service. United Water's second  
13 billing component is its volumetric rate which is based on how much water a customer  
14 consumes during each billing cycle.

15 A: The Company has a two-tiered consumption (volumetric) rate per ccf (100 cubic feet).  
16 Although the consumption rate is two-tiered, currently, the only difference in pricing  
17 between the tiers is for consumption in excess of 3ccf during the summer billing season.  
18 Thus, the Company has differing winter and summer rates. Consumption in excess of  
19 3ccf during summer months is priced at the highest volumetric rate the Company has to  
20 encourage conservation during high summer usage periods and to better reflect the  
21 utility's costs of providing water service.

22 Q: In light of the rate design you've described for United Water, please explain how the  
23 Company's proposed rate increase will be recovered from customers under the Settlement  
24 Stipulation?

1 A: The Stipulation spreads the proposed rate increase on a uniform percentage basis across  
2 all customer billing elements including the existing customer charge and volumetric or  
3 consumption rates.

4 Q: What is CAPAI's general position on placing a rate increase on customer charges as  
5 opposed to commodity rates?

6 A: With respect to water utilities, CAPAI generally prefers to place the bulk of any rate  
7 increase on the volumetric consumption rate rather than the customer charge in order to  
8 enhance a customer's ability to control his or her bill. As opposed to low income electric  
9 utility customers, some of whom are relatively high users due to poorly insulated housing  
10 and/or the reliance on electric heat, low income water customers typically do not suffer  
11 this predicament. For example, a low-income household has greater discretion whether  
12 to take long showers, leave the faucets or the hose running and provide irrigation to their  
13 yards or for recreational purposes than they do to alter their consumption of electricity,  
14 especially during cold winter months when they rely upon relatively expensive electric  
15 heat.

16 Q: In light of your concerns, what is CAPAI's position on the uniform percentage rate design  
17 proposed in the Stipulation?

18 A: Given the considerable reduction in United Water's overall rate increase and the  
19 Company's efforts to assist their low income customers, as I will discuss next, it is  
20 CAPAI's position that the uniform percentage increase to the Company's rate design  
21 proposed in the Stipulation is a reasonable compromise.

22 **C. Low-Income Issues:**

23 **i. History of Cares program:**

1 Q: Would you please provide a brief history and explanation of the United Water Cares  
2 program and how it functions?

3 A: United Water Cares, originally known as "Shares," a bill assistance program, was  
4 implemented during the course of Case No. UWI-W-04-4 and went into effect in 2005.  
5 The Shares program was the result of a collaborative effort between CAPAI and the  
6 Company to provide some sort of assistance to the Company's low income customers.  
7 To give due credit, United Water initially approached CAPAI about the possibility of an  
8 assistance program funded partially by shareholder funds and partially by voluntary  
9 ratepayer contributions hopefully resulting from Company promotion of the program and  
10 matching funds by the Company.

11 Q: What were the results of the initial program?

12 A: Unfortunately, the hoped-for contributions from other ratepayers were not realized. As a  
13 result, the Company agreed in Case No. UWI-W-11-2 to increase the Company's  
14 contribution to its eligible low income customers from \$50 to \$65 and lifted any limit to  
15 total amount of funding by the Company in any given year.

16 Q: What have the total contributions been to the Cares/Shares program since its inception in  
17 2005?

18 A: Approximately \$146,000.000 has been contributed either directly by shareholders, or  
19 through abandoned developer deposits, initially totaling \$95,956, which the Company  
20 sought and obtained authorization from the Commission in Case No. UWI-W-11-03,  
21 pursuant to the Commission's utility customer relations Rule 110 and Idaho statutory law<sup>1</sup>  
22 pertaining to abandoned funds, to help fund the Cares program.

23  
24 <sup>1</sup> See, Idaho Code Sections 14-517 and 531.

1 Q: Has the Company made any commitment to continue funding the program, whether from  
2 shareholder funds or abandoned deposits?

3 A: Yes, it has. The pertinent sections of the Stipulation are found at paragraphs 18-22. The  
4 Company has committed to continue funding at the current levels set forth in the  
5 Settlement Stipulation in this case. The Stipulation recognizes that low income customer  
6 needs had not been reviewed in roughly five years and, consequently, United Water  
7 agreed to increase the per customer bill credit under the Cares program from \$65 to \$75,  
8 effective January 1, 2016. Thus, United Water has proven its commitment to this  
9 program with occasional increases and program design changes since its implementation.

10 Q: How does the per customer bill credit assistance aspect of the program work?

11 A: As stated, El Ada administers the program and that agency's staff review potentially  
12 eligible customers who typically have past due utility bills, including water. The  
13 program is structured so that the customer receives a bill credit for up to the cap amount  
14 (\$75 per the Stipulation in this case) so long as the customer pays the balance of the past  
15 due amount or otherwise reaches an agreement with the Company to make payment  
16 arrangements. Thus, it does not create an incentive for customers to rely entirely upon  
17 Company-funded monies to pay their water bills.

18 **ii. Additional Low Income Considerations:**

19 Q: Are there any other forms of assistance that United Water provides to its low income  
20 customers in addition to the Cares program?

21 A: Yes, though not included in the Settlement Stipulation, United Water has made available  
22 to requesting community action agencies water conservation devices for distribution to  
23 low-income customers. The parties have developed protocols for ensuring that  
24

1 conservation kits are delivered only to United Water customers and that appropriate  
2 record keeping is maintained.

3 Q: Do you have any general rationale underlying CAPAI's support for the proposed  
4 settlement?

5 A: Yes. CAPAI wishes to express its appreciation for the proactive approach that United  
6 Water has taken toward addressing the needs of its low-income customers for roughly a  
7 decade now. Though the parties can and do sometimes disagree over important issues,  
8 United Water is the only regulated public water utility in the state of Idaho that  
9 voluntarily offers formal low-income, shareholder-funded bill assistance programs to its  
10 customers. CAPAI considers United Water's willingness to provide below the line  
11 funding to its low income customers highly admirable and a positive example of  
12 corporate responsibility.

13 Q: Is the proposed settlement beneficial to and in the best interests of all ratepayers from  
14 CAPAI's perspective?

15 A: It most certainly is. Though no customer wishes any rate increase, United Water, like  
16 any utility, experiences increases in the costs of providing water service to its customers,  
17 must finance projects necessary to accommodate growth, and must maintain and  
18 occasionally replace existing infrastructure, among other things. CAPAI believes that,  
19 had this case been litigated, it is possible that the Commission's final decision might have  
20 resulted in a rate increase slightly above that agreed to. United Water obviously made  
21 significant concessions in agreeing to reduce its requested increase by nearly 50%. As I  
22 stated, this gives ratepayers the assurance that there will be no further general rate  
23 increases effective prior to December, 2017.

1 Q: What aspects of the low-income provisions benefits all ratepayers from CAPAI's  
2 perspective?

3 A: To the extent that the dissemination of conservation kits by El Ada expands the use of  
4 those kits and reduces water consumption, this helps defer the date by which relatively  
5 higher cost new resources (e.g., wells, treatment plants, etc.) must be acquired.  
6 Regarding the Cares program, ratepayers do not pay to fund this program. In fact, they  
7 receive net benefits from Cares.

8 Q: How do ratepayers benefit from Cares?

9 A: Cares provides system-wide benefits to all customers that occur when customers who  
10 might be disconnected without some form of assistance or who otherwise become  
11 delinquent on their bills due to extreme financial hardship, are able to keep their accounts  
12 current and open, thereby reducing arrearages, debt collection costs, and numerous other  
13 costs that are avoided by providing assistance to the poorest of customers. Again,  
14 CAPAI is appreciative of the Company's exemplary attitude toward and treatment of its  
15 low-income customers.

## 16 V. CONCLUSION

17 Q: What is your final recommendation to the Commission?

18 A: CAPAI recommends that the Commission approve the proposed Settlement Stipulation  
19 agreed to by all parties to this case.

20 Q: Does this conclude your testimony?

21 A: Yes it does.

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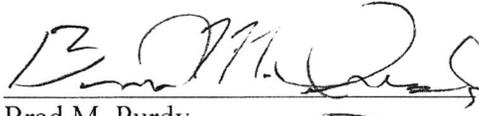
**CERTIFICATE OF SERVICE**

I, the undersigned, hereby certify that on the 6th day of November, 2015, I served a copy of the foregoing document on the following by electronic mail and U.S. postage or hand delivery.

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