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IDAHO PUBLIC UTILITIES COMMISSION

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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

10	IN THE MATTER OF THE APPLICATION)	CASE NO'S.AVU-E-08-01
11	OF AVISTA COPORATION FOR THE)	AVU-G-08-01
12	AUTHORITY TO INCREASE ITS RATES)	
13	AND CHARGES FOR ELECTRIC AND)	
14	NATURAL GAS SERVICE TO ELECTRIC)	
15	AND NATURAL GAS CUSTOMERS IN)	
16	THE STATE OF IDAHO)	

17 **COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO**
 18 **DIRECT TESTIMONY OF**
 19 **TERI OTTENS**

1 **I. INTRODUCTION**

2 Q: Please state your name and business address.

3 A: My name is Teri Ottens. I am the Policy Director of the Community Action Partnership
4 Association of Idaho headquartered at 5400 W. Franklin, Suite G, Boise, Idaho, 83705.

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

6 A: The Community Action Partnership Association of Idaho ("CAPAI") Board of Directors
7 asked me to present the views of an expert on, and advocate for, low income customers of
8 AVISTA on behalf of CAPAI. CAPAI's participation in this proceeding reflects our
9 organization's view that low income people are an important part of AVISTA's customer
10 base, and that these customers will be adversely impacted by the proposed changes to the
11 Company's electric service schedules.

12 CAPAI is an association of Idaho's six Community Action Partnerships, the Community
13 Council of Idaho and the Canyon County Organization on Aging, Weatherization and
14 Human Services, all dedicated to promoting self-sufficiency through removing the causes
15 and conditions of poverty in Idaho's communities.

16 Community Action Partnerships ("CAPS") are private, nonprofit organizations that fight
17 poverty. Each CAP has a designated service area. Combining all CAPS, every county in
18 Idaho is served. CAPS design their various programs to meet the unique needs of
19 communities located within their respective service areas. Not every CAP provides all of
20 the following services, but all work with people to promote and support increased self-
21 sufficiency. Programs provided by CAPS include: employment preparation and dispatch,
22 education assistance child care, emergency food, senior independence and support,
23 clothing, home weatherization, energy assistance, affordable housing, health care access,
24 and much more.

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

1 A: Yes, I have testified on behalf of CAPAI in numerous cases involving PacifiCorp, Idaho
2 Power Company, AVISTA, and United Water. CAPAI participated, on behalf of low
3 income customers, in the recent remote metering proposal by AVISTA and in the
4 negotiations that followed.

5 Q: Why has CAPAI intervened in this particular proceeding?

6 A: CAPAI is concerned that the combined proposed increases in fees and rates will add to
7 the already unwieldy energy cost burden that low income families in Idaho face. This is
8 of significant importance to AVISTA's low-income Idaho customers and those who must
9 provide services to them.

10 According to the Department of Commerce in the State of Idaho, 12.6% of the State's
11 population, when using the 2006 Census data, falls within federal poverty guidelines and
12 an additional 12.4% fall within the state guidelines set at 150% of poverty levels. The
13 2006 Census reveals that those living in poverty are categorized as 8.7% elderly, 15.1%
14 children, 9.8% all other families, 28.5% single mothers and 26.4% all others.

15 According to the Department of Energy, the "affordability burden" for total home energy
16 is set nationwide at 6% of gross household income and the burden for home heating is set
17 at 2% of gross household income. Idaho ranks # 4 in the nation with the highest energy
18 burdens. There is a gap of over \$74.7 million between what Idahoans can afford to pay
19 (based on federal standards) for energy in 2007 and what they actually paid. Currently
20 the LIHEAP program sends approximately \$12.2 million (for energy assistance,
21 weatherization and administration) to Idaho.

22 Q: How do these increases proposed by AVISTA directly impact its low-income customers?

23 A. Due to AVISTA's lack of low income data tracking CAPAI cannot precisely answer this
24 question. However we believe that this rate increase, coming on top of past recent
25 increases and the recent cost of living increases in food and fuel will have a significant

1 impact upon our customers. Already, without this increase, the CAP serving AVISTA
2 territory has seen an approximate 25% increase in calls for assistance. The additional
3 burden caused by an over 16% increase in utility rates will only increase the needs of
4 those in poverty or on the edge.

5 Q. What does CAPAI feel could assist this customer base?

6 A. One of the programs that help low income customers to reduce their utility bill is the
7 highly successful weatherization program. This program allows the CAP to provide
8 energy efficiency measures to a home that not only reduces their utility bill but is a long
9 term solution in keeping the utility costs under control. We believe that increasing this
10 program to allow for weatherization of more low income homes would be highly
11 desirable (currently only 10% of the homes receiving a LIHEAP benefit are weatherized).
12 The proposed settlement agreement proposing an additional \$100,000 for this program
13 incorporates this proposal. While this falls short of bridging the gap between need and
14 resources it is a commendable step by AVISTA in addressing this gap. .

15 A second program that has been tied to weatherization is the provision of energy efficient
16 education. Currently only those homes qualifying for weatherization assistance currently
17 receive such education. The expansion of energy efficiency education to more low
18 income homes receiving LIHEAP would help those homes to reduce their energy burden,
19 thereby reducing their individual bill amounts. As mentioned, currently only 10% of
20 homes receiving LIHEAP receive this education. Consequently the company has agreed
21 to fund a low income energy conservation education program in the amount of \$25,000
22 annually which CAPAI believe to be a highly effective mechanism for reducing energy
23 demand, thereby providing system-wide benefit to all ratepayers.

24 Finally, CAPAI believes that the low income problem is larger than the AVISTA
25 territory. Consequently, CAPAI strongly urges this Commission to initiate a separate and

1 generic proceeding involving all utilities to address solutions in serving this vulnerable
2 population.

3 Q. Are you comfortable that these issues have been addressed in the settlement agreement
4 negotiated with AVISTA?

5 A. Yes, we feel that AVISTA has responded in a positive manner to our concerns and has
6 worked out a settlement agreement to address these. We look forward to further dialog
7 concerning future solutions.

8 Q: Does that conclude your testimony?

9 A: Yes it does.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 22nd day of August, 2008, I caused to be served the foregoing COMMUNITY ACTION PARTNERSHIP ASSOCIATION OF IDAHO'S DIRECT TESTIMONY OF TERRI OTTENS on the following via electronic transmission.

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