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IDAHO PUBLIC
UTILITIES COMMISSION

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE JOINT PETITION)	CASE NO: AVU-E-18-02
OF AVISTA CORPORATION, IDAHO PUBLIC)	AVU-G-18-01
UTILITIES STAFF, AND COMMUNITY)	
ACTION PARTNERSHIP ASSOCIATION OF)	
IDAHO (CAPAI) TO INCREASE LOW INCOME)	CAPAI'S PETITION FOR
FUNDING UNDER TARIFF SCHEDULES 91)	INTERVENOR FUNDING
AND 191.)	
_____)	

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

On March 21, 2018, a Joint Petition was filed in the above-captioned case by Avista, Commission Staff and Community Action Partnership Association of Idaho (CAPAI) related to the increase of Avista's funding to its Low Income Weatherization Assistance (LIWA) and Conservation Education (Con-Ed) Programs. As noted in the Joint Petition, the present case was filed as a result of the overall Avista general rate case (AVU-E-17-01) in which the parties

agreed in their settlement stipulation to address low income issues in a separate docket from the general rate case; thus the Joint Petition at hand.

Following the filing of the Joint Petition in this proceeding, Staff, CAPAI, and the CAP agency affected (“North Idaho CAP or “CAP”), began extensive analyses of Avista’s LIWA and Con-Ed programs. With the direct cooperation of CAP, Staff began analyzing the two programs in question and traveled to Lewiston, the primary office of CAP, where Staff and CAP agency members conducted thorough analyses and question and answer sessions for Staff to better understand the manner in which CAP operates the two programs. Staff deeply scrutinized the programs, engaged in meaningful conversations with CAP technical personnel, and examined considerable amounts of data to gain a better understanding of how the programs were being conducted to ensure that CAP was maximizing the effectiveness of the programs and the money it received from utilities and other sources to operate them. In addition, Staff examined the need for the program including how many homes are being weatherized per year under LIWA, whether CAP could weatherize additional homes if given additional funding, and the backlog of otherwise eligible homes.

Although Staff’s comments, filed on April 10, 2018, speak for themselves, it is fair to say that Staff invested considerable time and energy, leaving no stone unturned, to determine whether the LIWA and Con-Ed programs were beneficial programs that not only served Avista’s most financially vulnerable customers, but returned benefits to the general body of ratepayers. CAPAI fully supports the extensive work and analyses performed and the overall conclusion reached by Staff and commends Staff for its hard and thorough work. CAPAI believes that the meeting between Staff, Avista, and CAP proved to be of greater value than hoped for.

CAPAI subsequently had the opportunity to fully review Staff's comments and, ultimately, felt that they were fair, accurate and needed no supplementation. Ultimately, Staff recommended approval of funding increases as follows: LIWA: \$125,00/yr. and Con-Ed: \$25,000/yr.

CAPAI does not wish to restate or analyze Staff's comments, which speak for themselves, but believes them to be thorough, fair and accurate. As Staff noted in its comments, the end result of Staff's investigation is that the agreed upon outcome is a fair one. Staff further noted in its April 10, 2018 comments, that CAPAI and Avista originally proposed different funding level increases for the two programs but, ultimately, and after investigations and negotiations, agreed to a reduced amount from their original proposals. Finally, it is CAP's intention to take the input provided by Staff to maximize the programs as much as possible.

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

As noted in Staff's April 10, 201 comments, CAPAI and Avista initially proposed specific funding increase amounts that exceed what they ultimately agreed to. The ultimate

proposal contained in the Joint Petition reflects the parties' agreement following considerable analysis, effort and compromise.

Following Staff's thorough analysis of the programs in question, and with Avista's involvement, the parties ultimately agreed upon the proposed increases of \$125,000 for LIWA and \$25,000 for Con-Ed, annually. CAPAI proposes that the Commission adopt this highly analyzed proposal and find the same to be fair, just and reasonable. As CAPAI has noted in many cases over more than twenty years, there are system-wide benefits to all ratepayers stemming from assistance to the poor that helps to maintain as customers, those who would otherwise drop off the system due to their inability to pay their bills. The costs to all ratepayers of this outcome has never been fully analyzed for Avista or likely any other public utility regulated by this Commission, but CAPAI believes these consequential costs to be very real. Perhaps the Commission will someday decide to order a calculation of the system-wide benefits of keeping low income customers on the system.

Regardless, it is intuitive that assistance to the poor helps to reduce bad debt write-off of accounts overdue, improve utilities' cash flow, reduce collection costs, and numerous other expenses that would be incurred and likely never recovered if utilities lose customers due to their inability to pay.

For these reasons, among others, CAPAI respectfully submits that the Commission approve the Joint Petition filed in this case.

(3) Statement Showing Costs:

CAPAI/CAP fully participated in every aspect of this proceeding from start to finish and provided input and asserted issues not raised by Staff and other parties. CAP made itself available to meet with Staff in a productive and cooperative fashion to clarify any questions that

Staff had regarding the two low income programs and to listen to any input Staff had to offer. CAPAI's participation is summarized throughout this Petition, including in Exhibit "A." For the reasons stated throughout this Petition, CAPAI respectfully submits that the costs it seeks to recover as set forth in Exhibit A, are reasonable in amount.

The Commission well knows the financial limitations that CAPAI faces. For example, CAPAI seldom can afford to retain an outside expert witness and does so only in particularly technical proceedings. In the present case, CAPAI relied heavily on CAP and its personnel who are involved in the implementation of LIWA and Con-Ed for all technical and policy aspects of this case. In that and many other respects, CAPAI relied heavily upon CAP's Executive Director, Lisa Stoddard, and CAP's technical expert Mark Fleming who has indispensable knowledge regarding the two programs at issue. These were, effectively, CAPAI's experts in this proceeding and the circumstances required that they put aside their otherwise daily duties to attend to providing expert input into this proceeding and process. It is fair, therefore, to characterize the interaction between Staff and CAP's experts as an expense to CAP in the sense that their daily obligations were put aside to enable a meaningful interaction with Commission Staff. CAPAI has historically requested an amount of intervenor funding that prices CAPAI's executive director and legal counsel at a level less than market rates in any given case.

In fact, CAPAI's funding requests have always been less than market rates in any given case, including the case at hand, whether pricing the value and cost of CAPAI's/CAP's Executive Director, technical expert, or its legal counsel. In this regard, CAPAI notes that counsel has nearly 3 decades of experience in public utility law, one of the more highly specialized fields in the legal profession. Hourly rates for an attorney with commensurate experience in such a specialized area of practice in this market are at least 2-3 times what CAPAI

seeks for recovery in its intervenor funding requests. Furthermore, in the roughly fifteen years that CAPAI's legal counsel has represented CAPAI in PUC proceedings, his rate has increased only 2-3 times and, even then, the total increase over roughly eighteen years has been approximately \$50/hour.

Based on the foregoing, CAPAI respectfully submits that the costs incurred and requested in this Petition 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 and has relatively little “discretionary” funds available for all projects, including participating in IPUC proceedings. 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. Thus, CAPAI must adopt a resourceful approach using what limited resources that are at its disposal.

CAPAI's sole source of funding to cover the initial costs of intervention before this Commission is the LIHEAP program. CAPAI's LIHEAP budget is limited and its future existence and levels are uncertain. In addition, CAPAI is subject to certain federal limitations in terms of the manner in which it spends its LIHEAP funds. This, unfortunately, limits the scope of issues that CAPAI is financially able to become involved in. Unlike certain other intervenors before the Commission on a regular basis, CAPAI lacks the necessary funding to retain expert witnesses to help present its case. In that regard, CAPAI must either rely on its Executive Director, or the employee/experts of its agencies, such as CAP. In this case, CAPAI relied heavily upon the efforts of CAP's Executive Director Lisa Stoddard, and technical expert Mark

Fleming, both of who participated in the case at hand. It was through these individuals, who took time away from their normal daily duties, that CAP was able to explain how it implements Avista's LIWA and Con-Ed programs.

Finally, CAPAI has no monetary stake in the outcome of this or any other proceeding before the Commission in the sense that it does not represent for-profit businesses or advocacy groups representing industry interests. Rather, CAPAI is a non-profit voice for the low income ratepayers of Avista and all other fully regulated utilities in Idaho.

Thus, were it not for the availability of intervenor funding and past awards by this Commission, CAPAI would not be able to participate in IPUC cases representing an important and otherwise unrepresented and growing 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

As noted above, CAPAI and Avista each proposed an increase to LIWA/Con-Ed funding in different amounts. Staff did not make a proposal until after it had conducted a thorough analysis including a trip to Lewiston to meet with CAP personnel. Although the Joint Petitioners in this case ultimately came to a settlement, the three parties all began with considerably different positions in terms of funding increases for LIWA and Con-Ed.

Although this case was ultimately resolved through negotiations, the positions of CAPAI and Staff were material going in to those negotiations and were not resolved until considerable work had been conducted by all parties, and even then, only after negotiations. Thus, CAPAI deeply appreciates the input that Staff and Avista have provided in this case, but respectfully

submits that they began with materially different positions and opinions prior to ultimately agreeing upon a negotiated settlement.

Consequently, CAPAI's position differed materially from that of Staff's for purposes of intervenor funding requirements.

(06) Statement of Recommendation

Avista's low income customers constitute a significant and increasing segment of the Company's residential ratepayers. In today's increasingly challenging economic times, issues affecting low income public utility ratepayers also become increasingly important. To the extent that low income customers are unable to reduce their energy consumption due to limited financial and other means and to the extent that the poor are most vulnerable to disconnection due to inability to pay their bills, any measures to assist the Company's low income customers in paying their bills both clearly and positively affects the general body of Avista's customers through, among other things, the reduction of bad debt expense, collection costs, and the lost revenue from customers who cannot afford to pay their electric bills.

(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 24th day of April, 2018.


Brad M. Purdy

CERTIFICATE OF SERVICE

I hereby certify that on this 24th day of April, 2018, I caused the foregoing document to be served on the following via electronic service:

Avista Corporation

David Meyer
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Linda Gervais
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Brad M. Purdy

EXHIBIT "A"
ITEMIZED EXPENSES

CAPAI'S STATEMENT SHOWING COSTS
Case AVU-E-18-02

Tasks performed during course of case: Brad M. Purdy.

Expense Categories

The categories of expenses and work performed are as follows	<u>Hrs.</u>
Review of pleadings, comments, etc., and execution of Joint Petition.	10.0
Review of Commission Order(s) and Notice(s).	1.0
Review of Staff Comments.	3.5
Communications w/client and its experts.	6.0
Numerous meetings and/or telephone conferences w/other parties.	7.0
Communications w/other parties	5.4
Preparation for and participation in telephonic meeting w/Avista, Staff & CAP.	<u>5.7</u>
Total Hours Worked - Brad M. Purdy	38.6
Total Hours worked at billable rate: 38.6 hrs. @ \$150.00/hr.	\$5,790.00

Tasks performed during course of case: Lisa Stoddard and Mark Fleming.

[Experts Stoddard and Fleming performed basically the same tasks as CAPAI's attorney, Brad M. Purdy. Their hours and hourly rates are as follows:]

Lisa Stoddard	5 hrs. @ \$60.42	\$302.10
Mark Fleming	26 hrs. @ \$47.98	\$1,247.48
Total fees for Brad M. Purdy, Lisa Stoddard & Mark Fleming:		\$7,339.58

Copies, postage & miscellaneous **\$45.00**

TOTAL FEES & COSTS: **\$7,384.58**