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 1 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION

 2 COMMISSION

 3

 WASHINGTON UTILITIES AND )

 4 TRANSPORTATION COMMISSION, )

 )

 5 Complainant, )

 ) DOCKET NO. UE-090134

 6 vs. ) UG-090135

 ) UG-060518

 7 AVISTA CORPORATION d/b/a ) Volume VII

 AVISTA UTILITIES, ) Pages 310 - 358

 8 )

 Respondent. )

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11 A prehearing conference in the above matter

12 was held on September 30, 2009, at 5:30 p.m., at the City

13 of Spokane Council Chambers, 808 W. Spokane Falls Blvd.,

14 Spokane, Washington, before Administrative Law Judge

15 ADAM TOREM.

16

17 The parties were present as follows:

18 AVISTA CORPORATION, by DAVID J. MEYER, Vice

 President and Chief Counsel for Regulatory and

19 Governmental Affairs, East 1411 Mission Avenue, Spokane,

 Washington 99220-3727; telephone, (509) 495-4316.

20

 WASHINGTON UTILITIES AND TRANSPORTATION

21 COMMISSION, by GREGORY J. TRAUTMAN, Assistant Attorney

 General, 1400 South Evergreen Park Drive Southwest, Post

22 Office Box 40128, Olympia, Washington 98504; telephone,

 (360) 664-1187.

23

24 Raymond H. Groth, CSR

25 Court Reporter

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 1 PUBLIC COUNSEL, by SIMON J. ffITCH,

 2 Assistant Attorney General, 800 5th Avenue, Suite 2000,

 3 Seattle, Washington 98104; telephone (206) 389-2055.

 4

 5 COMMISSIONERS: Chairman Jeff Goltz, Patrick

 6 J. Oshie, Philip B. Jones

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 8 AVISTA REPRESENTATIVES: Dennis Vermillion,

 9 President; Kelly Norwood, Vice-president State and

10 Federal Regulation

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 1 P R O C E E D I N G S

 2 MR. GOLTZ: Good evening. I'll call this

 3 meeting of the Washington Utilities Transportation

 4 Commission to order. My name is Jeff Goltz, I'm Chairman

 5 of the Commission. With me, to my left, is Pat Oshie,

 6 Commissioner, and with me to the right is Phil Jones, who

 7 is a Spokane native, and also a Commissioner. Also up

 8 here is Adam Torem, who is Administrative Law Judge.

 9 Judge Torem will be running this hearing this evening,

10 and I'll turn it over to him in just a minute.

11 I did want to say just a couple of

12 things. First of all, I wanted to thank the City of

13 Spokane for making available to us their council

14 chambers. And, also, most of all, thanks to all of you

15 who have decided to make time in your day to come out and

16 give statements at this public hearing.

17 These public hearings are a very

18 important part of the rate hearing process. Next week in

19 Olympia, for a number of days, we will have a more

20 technical adjudicative hearing with lawyers presenting

21 evidence, and witnesses being sworn and giving testimony.

22 And after that we will go into deliberations and make

23 decisions on this rate case. But these public hearings

24 are a very important part of the process, and always

25 bring a different and new, sometimes unique perspective

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 1 to the issues that we're dealing with.

 2 This afternoon, earlier this afternoon we

 3 had a hearing, another hearing out here in the Spokane

 4 Valley where we heard from a number of citizens who gave

 5 their presentations, made their comments, gave their

 6 testimony, and gave their perspectives on how they think

 7 we should resolve this case, and, also, maybe just the

 8 approach that we should -- or how we should look at the

 9 issues that are going to be before us. At this time I'd

10 like to turn it over to Judge Torem, who will introduce

11 to you the process for this evening, introduce some other

12 participants in the hearing process, and then commence

13 hearing your statements. So, thanks again for coming

14 JUDGE TOREM: Thank you, Chairman Goltz.

15 Let me identify the case, again, for the record. This is

16 the Avista rate case, it has three different docket

17 numbers. The first is UE-090134, that's the electric

18 rate case. The second docket number is UG-090135, that's

19 the natural gas case. And, also, consolidated since

20 spring of this year with these rate cases has been the

21 matter regarding Avista's decoupling mechanism, it has

22 its own Docket Number UG-060518. Again, for the record,

23 we're convened on Wednesday evening, September 30th, 2009

24 at the City Hall in Spokane, and it's now a little after

25 5:30.

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 1 As the Chairman said, my role this

 2 evening is to facilitate the Commissioner's hearing your

 3 public comments. Their role is simply to listen tonight,

 4 it's not an interactive question and answer from the

 5 bench, unfortunately, but, as you can see, your comments

 6 are going to become part of the record, we have a court

 7 reporter here taking down your comments. I'm probably

 8 speaking just about at the rate that's a bit too fast, so

 9 if you can speak slowly and annunciate, it will help the

10 court reporter get everything down and make it part of

11 our record.

12 Back in January Avista requested an

13 increase to its electric and natural gas rates, that was

14 on January 23rd when they filed proposed revisions to

15 their tariffs. The electric tariff is WNU28, and the gas

16 tariff is WNU29. As happens in these cases, to keep the

17 rates from going into effect, the Commission ordered in

18 February that the tariffs be suspended, and that we hold

19 this hearing, not only these public comment hearings

20 today, but also some evidentiary hearings, that being

21 next Tuesday afternoon in Olympia, and what the

22 Commission does is determine if the request for the rate

23 increases would create fair, just, reasonable and

24 sufficient rates. That's what our statutory obligation

25 is under Washington law.

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 1 Now, the original requests, if you

 2 reviewed it, from January, was Avista seeking $69.8

 3 million more in electric rates, a net increase of 8.6

 4 percent, and $4.9 million more, or a 2.4 percent increase

 5 to natural gas rates. Since that time Avista and the

 6 other parties to the case have negotiated a partial

 7 settlement that they're going to present for the

 8 Commissioners to review, and, perhaps, approve, they've

 9 reduced the request to down from the 69.8 to $38.6

10 million in electric rates, and down from $4.9 million on

11 gas to $3.14 million.

12 Since that was filed, the partial

13 settlement on September 4th, Avista has made some

14 additional adjustments, and the latest numbers I have is

15 that the rate increase is seeking thirty-seven and a

16 half million dollars, a nine and a half percent, or a net

17 3 percent increase in electric rates. So, again, they're

18 seeking a net of the 3 percent, instead of the original

19 8.6 percent increase on electric. The natural gas number

20 is 2.85 million, approximately a one and a half percent

21 increase in gas rates. Those numbers may yet change

22 again, but at hearing next week on Tuesday afternoon the

23 parties will present their proposed settlement, and the

24 following couple of days, Wednesday, Thursday and Friday,

25 the disputed issues will be before the Commissioners, and

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 1 just because the parties have settled, don't feel like

 2 it's a done deal. The parties have their settlement, but

 3 the Commissioners are the ultimate decision-making

 4 authority.

 5 Now, the Commission's hearing process,

 6 obviously, is a long one. We started with the filing in

 7 January, the ultimate date to have a decision out is mid

 8 December. So, we expect that sometime in early to mid

 9 December you'll have the Commission's decision. Now, all

10 the evidence has been submitted to the Commission in a

11 written format, and tonight your public comments help the

12 Commission see, not only what the company is asking for,

13 what the other parties to the case are asking, but what

14 the impact on you might be of any rate increase, and

15 that's equally important.

16 This afternoon we heard some poignant

17 comments, and some different points of view, and I hope

18 you'll be willing to share, frankly, in the minutes

19 provided tonight, your views and how this impacts

20 yourselves, your companies, and your homes. So, tonight,

21 give the Commissioners the information they can have to

22 determine if the proposed rate increase not only keeps

23 the company going, but what it does to the people here in

24 Spokane to whether it's in the public interest.

25 The other parties to the case have some

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 1 representatives here tonight. I'm going to ask the

 2 Counsel that are here in the room to make their formal

 3 appearances so you can see who they are. They're going

 4 to state their name on the record, here, and tell you who

 5 they represent. As you follow along, not only will you

 6 meet the representatives from Avista, but also two

 7 different Assistant Attorneys General that have two

 8 distinct purposes in the case for the Commission. And

 9 I'll check again if our other intervening parties have

10 representatives tonight, but I don't expect that they do.

11 Let me start by calling on David Meyer,

12 from Avista, to identify himself, and the other people

13 here from the company tonight.

14 MR. MEYER: Thank you, Your Honor. I'm

15 David Meyer, for the record, and I'm appearing on behalf

16 of Avista. We welcome you as our customers. And I'd

17 like to just introduce, if I might, two individuals,

18 Mr. Dennis Vermillion, if you'll stand up, he's the

19 President of the company, and then Kelly Norwood, who is

20 Vice-president of the Department of Rates and

21 Regulations. We also have half-a-dozen other people who

22 are here. I won't introduce them, but during a break or

23 at the end of the hearing, if you have questions of any

24 sort, we're here to answer them. Thank you for

25 attending.

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 1 JUDGE TOREM: Let me call on Mr. ffitch,

 2 from the Public Counsel Office, to introduce himself.

 3 MR. ffITCH: Thank you, Your Honor, and

 4 Commissioners. I'm Simon ffitch, I'm an Assistant

 5 Attorney General, and I'm appearing on behalf of the

 6 Public Counsel Office as a representative of the

 7 customers of Avista. Our office is established under

 8 statute to appear in commission cases, and represent the

 9 interests of customers and regulated facilities. We have

10 provided an informational handout, which is available on

11 the front table in the lobby. Thank you, Your Honor.

12 JUDGE TOREM: All right. And,

13 Mr. Trautman.

14 MR. TRAUTMAN: Thank you, Your Honor, and

15 Commissioners. I'm Greg Trautman, Assistant Attorney

16 General, I represent the Commission Staff, which is

17 another advocacy party entirely separate from the

18 Commission, and we also, along with the other parties to

19 the case, are reviewing and making recommendations on the

20 company's request for a rate increase.

21 JUDGE TOREM: Thank you, gentlemen. The

22 other parties that are participating for their own

23 interests in this case are the industrial customers, The

24 Northwest Utilities, they are interested in electric

25 rates; The Northwest Industrial Gas Users, obviously,

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 1 they're on the natural gas side of the case. Another

 2 entity called The Energy Project, they focus on low

 3 income or fixed income customers, and their issues. And

 4 then The Northwest Energy Coalition, focusing on

 5 renewable resources and conservation issues. Are any of

 6 their attorneys or other representatives here in Spokane

 7 tonight? Okay.

 8 So, you have before you tonight for

 9 questions, perhaps, depending on when we get done, the

10 Avista Company members will certainly be able to stay.

11 If we're done between 7:00 and 7:15 we'll have a few

12 moments for flight arrangements for the folks that are

13 heading back to Seattle on the plane tonight.

14 Members of the public, tonight really is

15 your opportunity to tell people in person what you think

16 about the proposed settlement, if you know anything about

17 that, the proposed rate increase, as it now stands for

18 the decoupling pilot project, which you should have seen

19 on your bills the last two, two and a half years. If you

20 have questions, as you came in you signed in on a sheet,

21 if you wanted to comment, and with our public information

22 folks, they also have some handouts outside, and the

23 parties that are represented in our consumer information

24 staff, those are the folks you can ask questions to

25 tonight and get information.

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 1 And I do want to announce that if we do

 2 run past 7:30 tonight, and I don't think we will, given

 3 the number of folks here, I may have to excuse some of

 4 the Commissioners to make sure they catch their flight.

 5 I'll certainly be here until we're done, as will

 6 Commissioner Jones. And, if that's necessary, we'll

 7 review transcripts later of any comments that they missed

 8 in person. So, just in case we run long, I don't want

 9 anybody to think folks are being rude or bored, it's a

10 question of cost savings and getting people back rather

11 than overnight.

12 Now, tonight I don't think we'll have

13 that issue, but I'm going to give people a pretty

14 generous allocation of three minutes, and they know it

15 from earlier this afternoon I've been judicious in

16 letting people run on when they need to, but I'll have

17 some signs up here that give you an idea of how long

18 you've got left, and I'll give them to you at one minute,

19 30 seconds, something like that. If you see red

20 cardboard go up, it's the universal stop. So, at that

21 point you'll wrap up, please.

22 Those of you that have spoken in public

23 before do know, though, that three minutes is a lot of

24 time to present your thoughts. If you've got a written

25 script that you're reading from, sometimes that's easier,

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 1 but if you want to hand in a copy of the written script

 2 as a written comment, we'd love to have that, as well.

 3 Those of you that don't want to comment tonight, or maybe

 4 haven't yet sent in a comment, we had earlier in our

 5 press release said that tomorrow, October 1st, would be

 6 the deadline for written comments. We've extended that

 7 to next Friday, October the 9th. So, if you're going to

 8 submit a written comment, so long as it's postmarked

 9 October the 9th, we'll be able to accept it and make it

10 part of the record. You certainly can send in an

11 electronic comment up until close of business on the 9th,

12 as well. And I'll give you the address to mail those

13 comments, and the address for our web site for electronic

14 comments at the close of tonight's hearing.

15 All right. I'm going to ask if there's

16 anything else, Mr. Meyer, that you want to add to the

17 summary of the numbers of what I gave earlier?

18 MR. MEYER: No. I think that summarizes,

19 nicely. Thank you, Your Honor.

20 JUDGE TOREM: All right. Then, we're

21 ready to take the public comments. And those of you that

22 signed up on the sheet, and whether you put a "yes" or a

23 "maybe," if you're going to comment I'm going to ask you

24 to take the oath of witness. So, I'm going to give that

25 to you, and we'll all stand and raise your right hand,

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 1 and I'll swear in the group that's here.

 2 Do each of you solemnly swear or affirm

 3 that the testimony you will provide to the Commission

 4 this evening will be the truth?

 5 PARTICIPANTS: Yes.

 6 JUDGE TOREM: Thank you, all. I'll call

 7 the first three, and then give you kind of an idea who is

 8 coming next. Margaret Herzog will be our first

 9 commenter, and I'll ask you to come to the microphone,

10 here, Ms. Herzog, and then Nima Michael, and, perhaps,

11 Patricia Torngren, if she wishes to -- she's got a

12 question mark, here.

13 When you give your name, if you'll spell

14 it for the court reporter, first and last, and tell us --

15 if you want us to put your address, that's fine, if you

16 just want to tell us what city or region of the city

17 you live in, that would be helpful, and if you're a

18 customer of Avista, that kind of preliminary information,

19 and then I'll start your three minutes. Go ahead, Ms.

20 Herzog.

21 MS. HERZOG: I'm Margaret Herzog,

22 H-e-r-z-o-g, I live in Spokane. I've been an Avista

23 customer all my life, so, that's a while. I'm taking

24 some information from the flyer that came in the bill

25 that -- the last bill that we received, and I notice the

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 1 numbers are not quite exactly the same as what was

 2 printed in my most recent information, so please excuse

 3 that. But my information, based on that, said Avista

 4 claims to need 19.4 percent rate hikes, 16.7 for

 5 electric -- I'm talking residential -- 2.7 for gas. This

 6 fact is listed in the flyer that accompanied our last

 7 bill.

 8 Let's acknowledge some other pertinent

 9 facts regarding Avista customers who live in this area,

10 facts not mentioned in the Avista flyer. According to

11 the Bureau of Labor Statistics, the unemployment rate for

12 our area, Spokane County, is 8.5, and that does not take

13 into account those who are part-time employed, or those

14 who have given up the search for employment. From the

15 Census Department for the year 2008 Spokane County has a

16 per capita income of $19,233 per year. The persons

17 living below poverty level are 13.1 percent of that

18 population. Persons over the age of 65 are 12.8 percent

19 of Spokane County's population. Persons under the age --

20 or dependents under the age of 5 is 6.5 percent. These

21 statistics are just numbers, unless they're held up

22 against the requests of Avista.

23 First, Avista is requesting an 11.8

24 return on equity. This at a time when most of the

25 retired customers cited above, who saw their hard-earned

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 1 retirement funds such as IRAs slashed in half by the

 2 economic downturn. And we were also notified recently in

 3 the next three years there will be no COLA increase on

 4 Social Security. Yet, in May of this year, the Spokesman

 5 Review reported that in the past 18 months Avista had

 6 raised its dividend three times with more increases on

 7 the way. My question, being, are Avista investors immune

 8 from the reality of the U.S. economic situation? And,

 9 isn't it true, that when investors buy stock they

10 generate money for capital projects? Yet, Avista is

11 asking the ratepayer to foot the bill of $3.1 million to

12 replace aging infrastructure. And that's generating

13 plants, power lines, poles, substations, right out of

14 here.

15 Incidentally, Avista customers were asked

16 for exactly the same thing last year. And at that time

17 my objection, then, as now, is that any well-run business

18 should have maintenance and operation as a line item on

19 their business ledgers. This is a normal part of running

20 a company, and yet Avista, a monopoly in the City of

21 Spokane, expects their customers to assume this

22 maintenance item. Furthermore, Avista wants to transfer

23 contract obligations from the corporation to its

24 customers for the purchase of electricity from the

25 Lancaster Power Plant in Idaho. Again, isn't this just

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 1 part of doing business if you're a power company?

 2 Avista says that it wants its customers

 3 to ante up $1.5 million to compensate the Coeur d'Alene

 4 Tribe. Is it legal to, retroactively, charge the Avista

 5 customer for Avista's contract errors? Isn't this

 6 retroactive rate-making.

 7 Another point. There's a request for

 8 $1.6 million to clean up a Montana coal plant in

 9 compliance with the Mercury Emission Laws. Why are

10 Washington customers being held responsible for past

11 and/or present Montana problems? Hasn't EPA required

12 scrubbers for these emissions all along? They certainly

13 require the waste and energy plant here in Spokane to

14 filter or scrub their emissions.

15 Avista is asking $3.8 million to

16 relicense the Spokane River's hydroelectric facilities.

17 Surely they realize that this licensing was coming to. I

18 know I've read if for two years. Avista should have

19 planned for this expense just as every homeowner has to

20 plan for yearly property tax or regular auto licensing.

21 According to Avista's annual report, the

22 DMS, Demand Site Management, was the first of its kind in

23 the U.S. This decoupling surcharge gave Avista -- and I

24 found differing numbers, here, I'm just taking one that I

25 researched -- $1.5 million. The Avista customers only

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 1 got 250,000 for using less energy. As the newspaper

 2 said, quote, "Where's the incentive for customers to be

 3 economical if the surcharge is greater than what they're

 4 spending? How is this surcharge doing anything but

 5 adding to Avista's coiffeurs at the expense of all their

 6 customers?"

 7 Per their bill flyer, which I mentioned,

 8 Avista is asking for a natural gas increase of 2.4

 9 percent. The utilities in June locked into the gas

10 prices that were 75 percent lower than the previous

11 November. With that kind of set stockpiled price, why is

12 Avista asking for an increase in natural gas prices.

13 Avista's First Quarter earnings were up

14 23 percent. No doubt this was due to the severe weather

15 and the power usage. But this increase seems to be

16 reflected only in the shareholders' dividends and the

17 CEO's salary. In March of 2008, the year before, the CEO

18 earned 1. -- I mean, 1,196,000, etcetera, while a year

19 later in March of 2009 the CEO earned $2.2 million.

20 Certainly, the primary aim of Avista should be to provide

21 the most economical power for customers, but their

22 primary goal of the company seems to be the CEO, and the

23 shareholder profit.

24 In January of 2009 Avista touted its

25 donation of $500,000 to Project Share. This is certainly

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 1 a worthy cause. But wait, in the last UTC request Avista

 2 requested increased rates, quote, "For energy assistance

 3 programs." This, no bless, or bleach contribution was

 4 the ratepayer's money coming out of their monthly bills.

 5 Ratepayers are also asked on every bill to contribute to

 6 energy assistance. This appears to be double jeopardy.

 7 So, let's review again. 32.4 percent,

 8 almost one-third of the citizens of Spokane County are

 9 either living below poverty level, are over the age of

10 65, and probably living on Social Security with very

11 diminished retirement funds, or they are minors dependent

12 on others. Again, the per capita income for this county

13 is $19,233.

14 JUDGE TOREM: Ms. Herzog, I'm going to

15 ask you to wrap up. I got a note that Ms. Michael is

16 yielding to you her time, but still we're over twice.

17 MS. HERZOG: I'm just finishing. Thank

18 you. All I think anyone is asking Avista to do is to

19 live in the real world with the current economic

20 realities of this area, and practice the same budget

21 management that's required of their customers. Thank you

22 for listening to my concerns.

23 JUDGE TOREM: Thank you. Ms. Michael,

24 did I interpret your wave correctly?

25 ATTENDEE: (Nods head affirmatively.)

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 1 JUDGE TOREM: All right. Thank you. The

 2 next speaker is Patricia Torngren. Did you want to

 3 speak, ma'am? While she's on her way down, I just want

 4 to remind folks -- and Mr. Roland Torngren would be

 5 next -- if you hear someone that you agreed with tonight,

 6 you may want to refer back to that speaker and indicate

 7 that you agreed or disagreed with what they said, but

 8 there's not a need to repeat other speakers, so that will

 9 make things a little bit more efficient as we go.

10 MR. MICHAEL: I'm sorry, I think it's a

11 misunderstanding, my name is Nima Michael.

12 JUDGE TOREM: Oh, I'm sorry.

13 MR. MICHAEL: It's alright. Did you

14 think that was somebody else?

15 JUDGE TOREM: The way she waved, and it

16 was on there. I'll have you come up next, sir.

17 MR. MICHAEL: It's okay, if there's no

18 time, but I'm available.

19 JUDGE TOREM: No. There is. It was a

20 different person yielding their time, then. I'll find

21 out. But you'll be next, then, sir.

22 MR. MICHAEL: Okay.

23 JUDGE TOREM: Ms. Torngren, if you can

24 state and spell your last name.

25 MS. TORNGREN: Patricia Torngren,

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 1 T-o-r-n-g-r-e-n, I live on 17th and Bernard. I'll be

 2 very brief, just to kind of focus on one of her points.

 3 My husband and I are both retired, we live on Social

 4 Security, and that's it, we have no retirement benefits.

 5 So, we have to budget very, very tightly, and any rate

 6 increase at this point is going to put us in serious

 7 jeopardy. And I really can't say much more than that,

 8 but there's an awful lot of us in the same boat. Thank

 9 you.

10 JUDGE TOREM: Thank you, Ms. Torngren,

11 for taking the time to come down. Mr. Michael, I'm

12 sorry, I misidentified you, why don't you come up and

13 give your comments now.

14 MR. MICHAEL: Your Honor, Commissioners,

15 good afternoon. My name is Nima Michael, N-i-m-a,

16 Michael, M-i-c-h-a-e-l. Gentlemen, I run an engineering

17 architectural company in Spokane, and I've been here for

18 quite some time. On my off time I try to -- I'm involved

19 in several organizations that are trying to help the

20 local community do business locally. As you guys from

21 the west side know, it's pretty hard to keep money inside

22 the Eastern Washington area. We have had some success or

23 failures, we're trying to help the small businesses, and

24 minority companies stay and thrive in Spokane.

25 I have had many, many dealings with

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 1 Avista Corporation. My view is probably going to be a

 2 little bit different than what other people are going to

 3 discuss with you. I'm all for profit. We are a for

 4 profit organization, and -- but I believe that if you're

 5 going to be for profit you also have to have some kind of

 6 social conscience. That either makes me a Democrat with

 7 a fiscal responsibility, or a Republican with a social

 8 conscience, I'm not sure which, but perhaps somewhere in

 9 the middle.

10 Over the years I have met and talked to a

11 number of presidents of Avista, and vice-presidents, so

12 forth, and so on. It seems like whenever the community

13 is asking for Avista to help with local businesses they

14 do just enough to have a presence, and to just meet the

15 basic, basic needs, and then just back off. I won't

16 mention any names, but, fortunately, there was an Avista

17 president some time ago, a few years ago that was

18 actually pretty honest with me. He looked me straight in

19 the eye, and said, "You see, I do not see that I have any

20 responsibility to spend any money locally." I believe

21 they do. And I believe they have failed at that,

22 especially involving local businesses.

23 Now, if everything was going well,

24 perhaps, we would not all be sitting here talking at this

25 time, but right now, not just my organization, but many

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 1 of the engineers and architects here in Spokane are

 2 hurting. A lot of my comrades have gone bankrupt. We

 3 have been working on reduced wages, not reduced hours,

 4 but reduced wages. We have been trying to help the

 5 community in any which way we can come together. I just

 6 feel that, with the exception of, perhaps, Paine Hamblen,

 7 I cannot really sit here and tell you what businesses in

 8 Spokane have thrived under help from Avista.

 9 There was -- I have to say this before I

10 close. There was a president that Avista had at a

11 certain time that they brought from another state, and I

12 will tell you, that gentleman proved to be most local

13 conscious about helping business locally. Sadly, that

14 gentleman did not last very long.

15 I won't take much more of your time, but

16 this just from my own past experience working in small

17 businesses and trying to do something locally with the

18 community. Gentlemen, this city is hurting. It is

19 hurting. And it is time for a company like Avista, right

20 now, if anything, to drop their rates to help the

21 community come together and survive these economic times.

22 To ask for a raise at this stage, I find that very

23 unconscionable, frankly. Thinking that this is okay is

24 no more different than thinking that what Wall Street has

25 done to the United States of America is okay. Or, the

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 1 tobacco companies. This is a time that Avista should

 2 step up to the plate and say, "We want to be part of this

 3 community, and do what we can to help people in need,

 4 and, perhaps, bring our profits down, and, perhaps, bring

 5 down some of the projects we would like to see happen in

 6 the future, at least for now, until things get better."

 7 Thank you very much for your time.

 8 JUDGE TOREM: Thank you, sir. Roland

 9 Torngren, did you want to add anything?

10 MR. TORNGREN: The only thing that I want

11 to --

12 JUDGE TOREM: You'll need to come

13 forward, if you're going to testify, sir. After

14 Mr. Torngren it will be Larry Stuckart, representing

15 SNAP. And then Carol Taylor, if she wishes.

16 Mr. Torngren, if you could state and spell your name.

17 MR. TORNGREN: Roland Torngren,

18 T-o-r-n-g-r-e-n. Fellow citizens, can I call you that?

19 I concur with the first speaker that we had. That was

20 just about my same idea about the situation, so I'm going

21 to make it very short. Thank you.

22 MR. TOREM: Thank you, sir. Larry

23 Stuckart?

24 MR. STUCKART: Good evening. Thank you

25 for coming to Spokane for the hearing. I'm the Executive

0333

 1 Director of SNAP, that's legally known as Spokane

 2 Neighborhood Action Partners.

 3 SNAP has provided help for poor people

 4 paying their heating bills and energy bills for over 35

 5 years. There's several energy programs differentiated by

 6 sources of funding and particular demographic groups.

 7 Last year in particular we were funded by different

 8 combinations of the federal LIHEAP block grant, tariffs

 9 on the Avista customers, donations from the customers of

10 Inland Power, Modern Electric and Avista Energy,

11 donations from Avista Utilities, some mandated by the

12 Commission, and other additional donations freely given

13 to Project Share by the shareholders of Avista, not the

14 customers, and, finally, United Way.

15 Our customers usually do not know where

16 Snap obtained the resources used to assist them. For

17 instance, our regular Energy Assistance Program has

18 funding from the Avista tariff, we call it LIRAP, and

19 also from the federal LIHEAP block grant. Avista

20 customers could be receiving help from one fund or the

21 other, but not both. The programs are identical for us

22 to administer, the only variation is who is eligible.

23 Both programs vary the amount of assistance provided by

24 the income of the household and the yearly heating costs.

25 Operating these programs together lessens our

0334

 1 administrative costs and lowers our potential for errors.

 2 We have a potential population of

 3 eligible low income households that is growing, the

 4 number we've been using, but we've been using it for the

 5 past four years, is over 34,000 households. I think the

 6 over is getting bigger and bigger, and different budget

 7 cuts were not seen, things come out of OFM, as we'd like

 8 numbers pertaining to population.

 9 Our actual service numbers for the

10 2008-2009, that's the heating seasons listed as of today,

11 was the last day of that heating season, that's the same

12 as the federal LIHEAP block grant, as of today, which was

13 13,137 households. In the 2007-2008 we helped 9,179

14 households between the two programs. This increase is

15 due to a large increase in the federal LIHEAP funds that

16 became available. This came at an unplanned, last-minute

17 Senate-House Conference Committee allocation of federal

18 stimulus dollars to the LIHEAP program. We didn't know

19 this was coming. It was the last minute, it was probably

20 two weeks a year ago in two weeks. We did not become

21 aware of these funds, we needed a place for additional

22 staff. We received an increase in the tariff funding,

23 also, because of actions with this Commission. We

24 received the tariff funding increase in January 2009, yet

25 you will see that we served many more people and assisted

0335

 1 them with additional help without the appropriate

 2 planning we would have liked to have done.

 3 Our Direct Service spending for 2007-08

 4 heating season combined LIHEAP and LIRAP was $4,646,000,

 5 and the average client payment was 505. During this last

 6 year with the combined expenses were 7,611,000, that's a

 7 tremendous increase. The average household payment was

 8 $579.

 9 We have not received a contract yet for

10 this coming heating season, which starts tomorrow. We

11 have submitted a contract with the Department of Commerce

12 for the federal LIHEAP program, but the contract we have

13 signed is for the same amount of dollars as 2007 and

14 2008, not the amount we received last year. A

15 significant reduction. Regardless, we will start the

16 program, limited to payments to Avista accounts. We have

17 increased staffing, we've been interviewing right down

18 the hall interviewing the workers, we can -- we have four

19 additional interviewing people working. Last year we

20 received federal funding on time. This year the federal

21 funding is late, as of tomorrow. The LIHEAP contract

22 amounts will not be finalized until the Senate and the

23 House and President agree on a final funding level.

24 We're starting the program only because

25 the Avista LIRAP program has sufficient carryover for us

0336

 1 to start the program. We need the two-plus months

 2 operating revenues, and this can supply it. We can only

 3 help Avista customers, to start with, this year. It's

 4 going to be difficult, but we can start, and we will

 5 spend more money this year.

 6 So, where does this leave us? We support

 7 additional funding for low income, as the settlement

 8 calls for. We must, to the extent possible, minimize the

 9 neglect effects on low income. We oppose increases in

10 the base rate, whether in the regular or the -- either

11 one of the cases. This is a -- Base rate increases are

12 not equitable for low end users.

13 I appreciate the opportunity to speak to

14 you. We are willing to make any adjustments in our

15 program, and we're working with Avista to make those

16 adjustments, and we're in favor of anything low income.

17 MR. GOLTZ: Judge Torem, can I just ask

18 one question, if I may. I may not have gotten all the

19 numbers, but you said for the -- I think it was two years

20 ago, it was abut $4.6 million that distributed, with an

21 average of 505. And that number went, dramatically, up.

22 Was part of that due to federal stimulus funding? Did I

23 hear that correctly?

24 MR. STUCKART: Right. I have a chart

25 here that I've got four copies of it that I can hand out.

0337

 1 MR. GOLTZ: I'd like to see that. My

 2 question is, is that, to your knowledge, is that a

 3 federal stimulus sort of bubble of money? In other

 4 words, this is a one-time money? Or, is it possible it's

 5 going to continue? Or, is just one time, and that's it?

 6 MR. STUCKART: The President's budget did

 7 not include the amount that was last funded last year.

 8 The House and Senate versions of the bill have been at

 9 the same level. It will go to conference again, and they

10 have to receive approval. It's a toss-up of coin. The

11 budget that we get until that one is signed, if we get a

12 continuing resolution, is based on the President's

13 budget. So, we will not, even if they passed a

14 continuing resolution, we will not receive sufficient

15 funds to operate the program at the size of last year. I

16 would like to say that the Senate and the House will

17 prevail, but that's politics.

18 MR. GOLTZ: And could we get copies of

19 that, and then make extra copies later on. Make that an

20 exhibit in the case.

21 JUDGE TOREM: Mr. Stuckart, I'd encourage

22 you to give both your written comments and the chart to

23 submit it as a written comment. That will be fantastic.

24 Thank you. Next on the list that had a question mark,

25 Carol Taylor. Did you wish to speak? Following

0338

 1 Ms. Taylor, it appears that there's a number of folks who

 2 wrote a question mark, the next one would be Jody

 3 Heitzman, and then Bob Apple had indicated "No," but I'll

 4 ask you if you wanted to change your mind. Ms. Taylor?

 5 MS. TAYLOR: So, I'm supposed to state

 6 where I live?

 7 JUDGE TOREM: Yes. State your name, and

 8 spell it, and tell us where you live, and how long you've

 9 been an Avista customer.

10 MS. TAYLOR: My name is Carol Taylor, I

11 live at 4214 East 28th Avenue in Spokane. I'm an Eastern

12 Washington employee, I'm a professor in computer science,

13 and I agree a lot with the first customer -- excuse me --

14 the first person who was speaking, plus the gentleman who

15 had the engineering firm. And I just want to add a

16 couple other things that, you know, maybe not the

17 obvious. There was a lot of numbers talked about, but

18 what I did is I went to the web and printed off the

19 profitability of Avista, so what -- just reading it said,

20 basically, it was in 2008 Avista contributed net income

21 of about 45.3 million for six months, in 2009, basically,

22 they earned more, about 56 million, and they said this

23 was primarily the result of increased gross margin --

24 operating revenues less resource costs -- from the

25 implementation of new retail rates in Washington and

0339

 1 Idaho. And they go on to say that the increases were

 2 determined to be reasonable and fair.

 3 So, this isn't a time period where we had

 4 a financial meltdown in 2008, a huge number of people

 5 have lost their jobs. At my university -- you're all

 6 Washington people, and reside over there on the west --

 7 they cut education 25 percent. People have lost their

 8 jobs all over WSU, University of Washington, and Eastern

 9 Washington University, my university, we're not even

10 through with the final round of cuts. We had already a

11 whole bunch of cuts, and people are gone that are no

12 longer there. We're going to have another round of cuts

13 in January, and maybe another round of cuts in May. We

14 haven't absolutely all the costs. So, in addition to all

15 the job losses that have happened to date, there's going

16 to be a whole bunch more. These are people with no

17 opportunity to have other jobs in this huge downturn of a

18 market.

19 So, again, I agree with all the people

20 that have talked so far, the fact that they want a rate

21 increase in this terrible time when we're all cutting

22 costs and tightening our belts is unconscionable. I just

23 think that, you know, if I had an option, if there was

24 some other option to go with besides Avista, I would take

25 it. Right now I'm searching for a way to do solar at my

0340

 1 house, because I just don't want to be -- you know, my

 2 salary right now is fixed, I'm not getting any increases,

 3 I won't see any increases for probably the next five to

 4 ten years, if things keep going, so I want to figure a

 5 way to get off being obligated to Avista, to a company

 6 that doesn't didn't seem to have any conscience for the

 7 people. Thanks.

 8 JUDGE TOREM: Thank you, Ms. Taylor, for

 9 coming out tonight. Jody Heitzman? I don't see Jody

10 Heitzman. So, Bob Apple?

11 MR. APPLE: My name is Bob Apple, and

12 it's A-p-p-l-e, just as it sounds. I want to thank the

13 Commission tonight for allowing us to speak here in

14 Spokane directly to you, because it's more important for

15 me to be able to do that. And I say that, because I'm

16 also a small elected official in my community, on the

17 Spokane City Council.

18 And, basically, what I want to talk to

19 you about, some of the information I have as a

20 Councilman, and in representing my constituents. I

21 received a paper, or a notice document this summer from

22 the U.S. Department of Housing and Urban Development that

23 indicated that one out of two people in Spokane have

24 received some sort of assistance in the last calendar

25 year from either state, federal or local sources, but

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 1 with federal funding involved. That's pretty indicative

 2 of what Spokane is, and is known as a poverty pocket in

 3 the state of Washington.

 4 Also, you know, to get a good idea of how

 5 our local economy is faring, the City of Spokane also has

 6 a number of utilities, and is a single source supplier,

 7 garbage and water, with regards to those services our

 8 water service is substantially down this summer, in spite

 9 of the fact we had a very hot summer. Also, our garbage

10 collection is down substantially, as well, and that's

11 very comparative to sales of products in stores. So,

12 we're seeing a marked revenue reduction in that.

13 Not only that, sales tax -- and that's

14 where most communities in the state reference their

15 economic plight these days, I suppose, in the bad

16 terms -- we're only down about 7 percent. But, you know,

17 across the state it's double digit, most of the people

18 being subsistent, here, you still have to buy the basics

19 to get by, so it's not probably as bad, but we're feeling

20 the very strong pinch. It is more than we anticipated,

21 it will go down as a Council, and as a City Government,

22 but the point is, is that we have to deal with these

23 shortfalls, too.

24 And like a private business, sometimes

25 the private businesses, as well, are going to have to

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 1 deal with it. Many of them aren't in Spokane. Our

 2 number of business licenses is dropping, as well, and if

 3 we look at the numbers of commercial and residential

 4 rental units, there are a very large supply available,

 5 because there's a lot of vacancy. I would give you

 6 specific numbers, but the general view, as what I'm

 7 trying to give you is that, you know, business in Spokane

 8 is tight. Small business is hurting. The only wage

 9 increases I think you're going to see are minimum wage

10 requirement increases, if they apply this coming year.

11 You know that fixed wages, even from the federal

12 government and assistance programs, are not going to

13 occur, including, I believe, our military. So, we have

14 an air base here in the region, a lot of the people live

15 in Spokane.

16 So, we have, you know, tight constraints,

17 and I want to make that very clear. I think that in the

18 past, if you look at the energy consumption, I don't know

19 whether Avista is seeing a downturn, but what I do

20 believe is very clear, is that the cost of raw energy is

21 dropping. Looking at the barrel price, I saw where it

22 was last year, two, if not three times what it is today,

23 and it's $66 as of yesterday, from what I saw. So, I

24 just don't know that we can afford to beat up the

25 community anymore, and as a local resident, and as a

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 1 citizen representing the public, I just don't see how I

 2 can see raising city rates. So, this is a very difficult

 3 question I hope that you will deal with -- well, I know

 4 you'll have to give strong deliberation to the remarks.

 5 Thank you.

 6 MR. GOLTZ: Thank you.

 7 JUDGE TOREM: Thank you, Councilman

 8 Apple. And I wanted to let you know, too, you mentioned

 9 the minimum wage increase. We sat this afternoon and

10 noted that the Department of Labor and Industries did not

11 raise the minimum wage for Washington --

12 MR. APPLE: Right.

13 JUDGE TOREM: -- on January 2010.

14 MR. APPLE: I suspected, but, thank

15 you.

16 JUDGE TOREM: Today was the official

17 announcement.

18 MR. JONES: Mr. Apple, you mentioned

19 sales tax collections for the City were down 7 percent.

20 What sort of belt-tightening, or cost-cutting furloughs,

21 or what have you been doing? Have you been forced to

22 layoff people here in the City?

23 MR. APPLE: We may, but what we're

24 looking at right now is we're trying to work with the

25 labor unions, we're trying to work with the

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 1 administrative personnel to try to see where we can make,

 2 you know, cuts without really having to get rid of

 3 people. That's the last resort in my mind, but if we can

 4 get concessions, that's what we're looking at. We do

 5 have a reserve account. We have committed, if the labor

 6 well work with us, we'll use some of the reserves.

 7 JUDGE TOREM: The next speaker signed up

 8 is Peggy, I believe it's Boothe, with a question mark.

 9 All right. She's coming down. And Loraine Larson, and

10 Nick Beamer, from the Aging and Long-term Care Services.

11 So, Ms. Boothe.

12 MS. BOOTHE: Good evening. My name is

13 Peggy Boothe, B-o-o-t-h-e, I'm a Spokane resident, I've

14 been here all my life. An Avista customer, Washington

15 Water Power customer. Same thing, I've lived here and

16 worked here all my life, I have to wear two sweatshirts

17 at night, keep my heat at 62, even my dogs have to wear

18 sweaters. We're cold. We can't afford the gas. My

19 mother is 92. She, fortunately, can live by herself, but

20 she has to sit there and be cold. There is no reason why

21 we should sit home and be cold. I work full-time. My

22 mother has a fairly good retirement.

23 What does a person do in a job that

24 requires $2,000,000? I cannot imagine what that person

25 does. And to get a million-dollar raise? Hoky smokes, I

0345

 1 haven't had a raise in two years, and that was fifty

 2 cents an hour. During these times we all have to buckle

 3 down. We all have to give up a little bit. I think

 4 Avista needs to start looking at that. Look at everybody

 5 as a whole, not just their little company. It's a

 6 whole -- It's the whole area. We that are working

 7 full-time, we shouldn't have to sit in the cold, sit in

 8 the dark, wear two or three sweatshirts to keep warm. My

 9 parents shouldn't have to be doing that, and neither

10 should my neighbors. It's tough times. And to want us

11 to pay more for production costs, and for raises for the

12 CEOs in these companies, it's wrong. It is just wrong.

13 It's just wrong.

14 And that's what I have to say. That's my

15 story, and I'm sticking to it. Thank you.

16 JUDGE TOREM: Thank you, Ms. Boothe.

17 Loraine Larson? All right. Nick, from Aging and

18 Long-term Care. Sorry, sir, I just can't make out the

19 last name.

20 MR. BEAMER: I'll help you with that. My

21 name is Nick Beamer, and I'm the Executive Director for

22 Aging and Long-term Care of Eastern Washington. I'm here

23 tonight to speak on behalf of the Planning and Management

24 Council of Aging and Long-term Care. We are the area

25 agency on aging that covers Spokane, Ferry, Stevens and

0346

 1 Pend Oreille Counties to the north, and Whitman County to

 2 the south. The Council is composed of 32 volunteers

 3 which come from throughout all of those counties.

 4 As you might suspect, council members are

 5 very concerned about the impact that electrical and gas

 6 rates will have on home heating, cooling and lighting

 7 costs for the low income seniors, and also for persons

 8 with disabilities who are residents of Spokane County in

 9 these other areas, especially the areas that, of course,

10 are covered by Avista.

11 You've heard some background, and I want

12 to add to some facts and figures about the folks that I

13 and our Council would serve in this area. Approximately,

14 22 percent of the owner-occupied homes without mortgages,

15 which are usually senior citizens, report a household

16 income of less than $25,000. You have heard, I would

17 imagine, from the Social Security Administration that

18 they do not think that there will be any cost of living

19 increase for 2010, or planned for 2011. You've already

20 heard about the unemployment statistics for our area.

21 From the recent State bi-annual budget

22 that was adopted just recently by the legislature,

23 seniors and others in need of long-term care who would

24 like to live at home suffered reductions. There will be

25 a reduction in average hours of in-home care from about

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 1 three to four percent. That varies, of course, by

 2 individual. Those are the individuals that are eligible

 3 for Medicaid. They, also, would otherwise be in a

 4 nursing home, if they were not eligible, if they were

 5 having to go that way for their care. But in our state

 6 we've been able to offer options. Those options get

 7 harder and harder when rates go up for things like

 8 electricity and gas to stay at home. There's also been

 9 some elimination for transportation funding for folks

10 that used to be able to avail themselves to adults they

11 help.

12 I believe that the electricity and

13 natural gas rates can result in a decline in both health,

14 safety and other things that low income seniors face,

15 because in the wintertime folks are more susceptible to

16 colds, flu and pneumonia, especially when they cannot

17 heat their homes to the degree they need to. Some will

18 make up for increased heating costs by taking less

19 medications, and sometimes by taking less food than they

20 need.

21 For these reasons the Council has taken

22 the following positions regarding this rate case. We

23 agree that Avista should be granted a small increase in

24 electrical rates, and that in line with the UTC staff

25 recommendation would be where we would end up. We also

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 1 think that Avista should be commended for moving quickly

 2 to file a separate request with the UTC for a reduction

 3 in the natural gas rates in order to pass along

 4 reductions in the purchase price of the natural gas. And

 5 then no increase in gas rates are justified in the

 6 general rate case. We also feel that decoupling should

 7 not continue. We also feel that funding to help low

 8 income individuals to meet increased costs due to any

 9 approved rate increase be included in the rate case

10 settlement.

11 Agency staff have been working in

12 conjunction with other community agencies and Avista to

13 address the impact of rate increases on vulnerable and

14 at-risk seniors. We commend Avista for their rates --

15 pardon me -- for their interest in this area, and their

16 efforts to mitigate the impact of rate increases.

17 One thing the Commission could do, it

18 always seems like this rate case comes up in November and

19 December, and you say you're going to make your decision

20 in December, that is the peak of the heating season. It

21 goes into January, of course, in this area, February,

22 March, sometimes April, and I would recommend that you

23 delay implementation of the rate increase until July.

24 That concludes my testimony, unless you have questions.

25 JUDGE TOREM: Thank you, Mr. Beamer.

0349

 1 Brenda or Troy Dilley, one of you had made an indication

 2 that you might want to speak. Troy? All right. Come on

 3 down, sir.

 4 MR. DILLEY: I, originally, resided in

 5 the Spokane Valley, but I missed the earlier one, that's

 6 why I'm here.

 7 JUDGE TOREM: All right. Can you state

 8 and spell your name for the court reporter.

 9 MR. DILLEY: Spell my name?

10 JUDGE TOREM: Yes, please.

11 MR. DILLEY: T-r-o-y, D-i-l-l-e-y.

12 JUDGE TOREM: Thank you, sir.

13 MR. DILLEY: I know a lot of people who

14 is on Avista, really good friends, and they have lost

15 their jobs, they have children, they get very little

16 unemployment insurance, and -- which is about ready to

17 run out. I think -- I don't know how many times I've

18 (inaudible) it's been a lot. But I think it's time for

19 Avista to live up to the facts that this country, state,

20 whatever you want to call it, is in a recession. I know

21 it's very hard for people to find work. For example,

22 I'll give you one example. Somebody on Craig's List was

23 putting an ad to help somebody move, help them move, and

24 I asked my friend, "How many" -- I asked him, "How many

25 responses did he get?" He got 80 responses in less than

0350

 1 an hour. That's unreal. I mean -- I know you guys are

 2 paying pretty good wages for that one day, but, still,

 3 that's a lot.

 4 And another instance, I've seen this guy

 5 on the internet, he was requesting a stranger, asking if

 6 somebody would loan him or give him charity, give him

 7 some money so he could pay his Avista bill. And that's

 8 getting really, you know, down to earth. So, I think

 9 it's time for Avista to live up, and maybe stop -- I

10 don't know -- realize what's going on in this country,

11 instead of always wanting money, money, money, money.

12 You know, I don't know what -- we're not their customer,

13 but I don't know what Inland Power, whatever they charge,

14 because, of course, we don't have their service. But all

15 I know is every year it seems like Avista wants another

16 increase, like they make it a yearly thing. And I could

17 be wrong, but that's what it feels like.

18 I don't know if you guys remember -- one

19 more last thing -- that was in the winter of last year,

20 or when it was cold, when this lady set up a protest in

21 front of Avista headquarters. Me and my wife were there,

22 because we weren't -- I mean, I was actually not doing it

23 for me, I was doing it for all the people who have kids.

24 I wasn't doing it for us, I was doing it for all the

25 people who are suffering, you know. So, that's what I

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 1 was -- that's why I was there. And, thank you very much.

 2 JUDGE TOREM: Thank you, Mr. Dilley.

 3 Karen Eberts, and Eugene Eberts?

 4 MR. EBERTS: I'm going to let my wife

 5 speak first, and then I'll follow.

 6 JUDGE TOREM: Thank you, sir.

 7 MS. EBERTS: Hello. Can you hear me

 8 alright? My name is Karen Eberts, spelled, E-b-e-r-t-s,

 9 I am not employed anymore. I used to work at Eastern

10 State Hospital, but I took a disability from there after

11 working there for 15 years.

12 I came last year to the meeting over at

13 the Spokane House, I think it was called. While I was

14 there I had picked up a few of these things that I also

15 picked one again this year. One is Avista's Energy Star

16 Program. A great program. My husband and I have put new

17 siding on our house, we've put new windows on our house.

18 We use the little curly lights, I can't remember what

19 they're called. We ended up putting more filler in the

20 attic. All these things were done to promote energy

21 saving. Then, tonight I was looking through a couple of

22 papers that I was trying to get together for this

23 meeting, and I found that it said that people that make

24 the effort to decrease their rates, in the end, have to

25 pay more. Because when you decrease it, you actually end

0352

 1 up paying more by saving. So, I guess I won't do that

 2 anymore.

 3 Another thing that I was looking

 4 through -- I have articles, here -- "Avista Ecology

 5 Settled River Appeals." I remember that last year.

 6 There was a gentleman that came to the meeting, and he

 7 spoke at great length about how Avista was going to have

 8 to pay for dam charges for -- I guess for use. I'm not

 9 sure how that works. What I didn't understand, and when

10 I asked at that time was, why didn't they plan ahead?

11 When I have to buy something -- because I do live on a

12 fixed income, and when I have to buy something I have to

13 plan for it. I cannot depend on someone else to take

14 care of my bills.

15 Another thing was, like my friend

16 commented, "Avista CEO, 2.2 million." Boy, that must be

17 nice. I don't think I'll ever see 2.2 million, unless I

18 win the lottery, which is highly unlikely. He also got

19 salary incentives, stock and retirement. I'd like to

20 tell you that what I get for retirement from Eastern

21 State Hospital is $178.28, and I worked there for 15

22 years. Big deal.

23 "Avista Faces Rate Appeal" -- excuse

24 me -- "Faces Face Appeal. Attorney General targets

25 increases have started January 1st." Well, I'm glad to

0353

 1 see the Attorney Generals are here. I think it's about

 2 time that they started doing some pushing, because I

 3 think Avista is not our friend. If I could have Inland

 4 Power and Light, I sure would. I've talked to my husband

 5 about putting solar panels on our house. I've talked to

 6 him about putting one of those little wind contraptions

 7 in my back yard, except I think it probably would be

 8 probably -- we probably live in the wrong neighborhood to

 9 put one of those up.

10 It says, "Agencies Object to Avista

11 Hikes." Well, so do I. I have a fixed income, guys. I

12 got to live with it. You all have very nice suits on,

13 the Attorney Generals do, and the Avista guys do. This

14 is my daily clothing. I wear blue jeans from Wal-Mart,

15 and T-shirts, because that's what I can afford. I can't

16 afford fancy suits.

17 It says, here, my last article is,

18 "Avista is Cutting Natural Gas Rates." But then I got to

19 reading this thing, here, that Avista put out -- or,

20 excuse me, I think the Attorney General put out -- and it

21 says that, "Avista is now requesting an increase of 38.6

22 million for electric, and 3.14 million for gas

23 customers." What happened to the rate cut? Where did it

24 go? I'm a little confused. I would like some answers,

25 gentlemen. Thank you very much.

0354

 1 JUDGE TOREM: Thank you, Ms. Eberts.

 2 Eugene Eberts.

 3 MR. EBERTS: My name is Eugene Eberts,

 4 that's spelled E-b-e-r-t-s. And I've been a resident of

 5 Spokane for 15 and a half years. I live at 3810 West

 6 Wiley. Prior to that time I lived up in Suncrest, which

 7 is in lower Stevens County. We were serviced by Inland

 8 Power and Light, which I believe is a co-op.

 9 Unfortunately, I can't get Inland Power and Light. If I

10 could, I would. And looking at those two companies, I

11 wonder if we could have competition in this city with

12 Avista with regards to our utilities, if Avista would be

13 pursuing a rate increase. That's pretty much what I have

14 to say, gentlemen. And I thank you for coming.

15 JUDGE TOREM: Thank you, Mr. Eberts. Is

16 there anyone else present that didn't sign in that did

17 want to give testimony tonight? All right. Not seeing

18 any hands, for those of you that wanted answers on these

19 substitive questions that are before the Commission,

20 tonight, unfortunately, I can't have you ask the

21 Commissioners, they are still waiting, and have to, just

22 like any Judge, or a jury, they can't talk to folks

23 outside of the courtroom, if you will. At least not

24 about the case. If you want to ask them about the

25 weather, or their flight over, what they had for lunch

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 1 today, they'll let you know. But they can't talk to you

 2 about the case itself. The folks that can talk to you

 3 and give you some answers are Mr. Trautman and

 4 Mr. ffitch, two different Attorneys General that have

 5 vast knowledge about the case, and can tell you about

 6 their organization's positions on the proposed rate

 7 increase and the decoupling issues. And, also,

 8 Mr. Meyer, Mr. Norwood can answer questions about the

 9 company, and why it's going forward on what it is -- why

10 they're seeking a rate increase even at this time.

11 They were given the same opportunities

12 this afternoon in the Spokane Valley, and I know they had

13 a lot of folks walk up. I encourage you to engage these

14 folks while you have them in front of you tonight,

15 particularly about the question about the, "Where is the

16 rate increase?" Where is the rate decrease?" That's one

17 that they can try to explain to you. There's some

18 differences there, and I won't go into them now, but I

19 encourage you to take the time tonight while you're here.

20 Now, for those of you that were giving

21 your testimony, that's now part of the record. Those of

22 you that didn't comment to the Commissioners tonight can

23 still send in written comment up until next Friday,

24 October the 9th. Let me give you the addresses to send

25 in your written comments, if they're going to be

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 1 postmarked by October the 9th they can be accepted. Send

 2 them to the Utilities and Transportation Commission, or

 3 UTC, the P.O. Box is 47250. It's Olympia, Washington,

 4 and the zip code is 98504.

 5 If you want to look on the web site and

 6 submit your comments electronically, it's www.utc.wa.gov,

 7 and there is a link to put up a public comment. So long

 8 as you indicate it's about the Avista rate case, or

 9 Avista decoupling, it should get to the right portion of

10 the Commission. If you want to be more specific, again,

11 you can write down any of these three docket numbers,

12 090134, 090135, those are the rate case dockets, and for

13 decoupling it's 060518.

14 Commissioners, any comments for those

15 assembled tonight?

16 MR. GOLTZ: No. Just, once again, thank

17 you all for coming and providing some, what I thought

18 were some very, very thoughtful comments, and very useful

19 to us. Thank you.

20 JUDGE TOREM: Again, I want to echo the

21 thanks and say it's good to see folks that are willing to

22 come out both in the Valley this afternoon, and, sir, for

23 you coming all the way out from the Valley to catch us in

24 downtown Spokane tonight, particularly, we had a number

25 of people that traveled from far and wide for both of our

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 1 hearings today. Please know that your comments are taken

 2 seriously. We will consider them in our deliberations in

 3 the months ahead, and I hope you'll find that those

 4 feelings are recognized in the opinion that's written and

 5 published sometime in December. Thank you, again, all.

 6 And thank you, again, to the City of Spokane, and this

 7 afternoon for the Spokane Valley for letting us make use

 8 of your Chambers. This meeting is adjourned tonight at

 9 6:35. Thank you.

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11 (6:35 p.m.)

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 1 STATE OF WASHINGTON )

 ) ss.

 2 County of Spokane )

 3

 4 I, Raymond H. Groth, do hereby certify that

 5 at the time and place heretofore mentioned in the caption

 6 of the foregoing matter, I was a Certified Shorthand

 7 Reporter and Notary Public for Washington; that at said

 8 time and place I reported in stenotype all testimony

 9 adduced and proceedings had in the foregoing matter; that

10 thereafter my notes were reduced to typewriting and that

11 the foregoing transcript consisting of 48 typewritten

12 pages is a true and correct transcript of all such

13 testimony adduced and proceedings had and of the whole

14 thereof.

15 I further certify that I am herewith securely

16 sealing the said original deposition transcript and

17 promptly delivering the same to Judge Adam Torem.

18 Witness my hand at Spokane, Washington, on

19 this \_\_\_\_\_\_\_\_\_ day of October, 2009.

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22 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

23 Raymond H. Groth

 Certified Shorthand Reporter

24 CSR No. 2824

 Notary Public for Washington

25 My commission expires: 8-19-10