

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**AVISTA CORPORATION d/b/a
AVISTA UTILITIES**

Respondent.

**DOCKETS UE-170485 & UG-170486
(Consolidated)**

TESTIMONY OF

SHAWN M. COLLINS (EXH. SMC-3T)

**DIRECTOR OF
THE ENERGY PROJECT**

In Support of Multiparty Partial Settlement Stipulation

November 1, 2017

1 **I. INTRODUCTION**

2 **Q: Please state your name and business address.**

3 A: I am Shawn Collins. My business address is 3406 Redwood Avenue, Bellingham,
4 WA 98225.

5 **Q: By whom are you employed and in what capacity?**

6 A: I am the Director of The Energy Project (TEP), a program of the Washington
7 State Community Action Partnership housed at the Opportunity Council in
8 Bellingham, Washington.

9 **Q: How long have you been employed by the Opportunity Council?**

10 A: I have been employed by the Opportunity Council since 2006. I have served as
11 the Director of The Energy Project since 2015.

12 **Q: Would you please state your educational and professional background?**

13 A: I have a BA from Eastern Illinois University and have been working on issues
14 impacting low-income populations since 2002 through Community Action
15 Partnership organizations and a variety of other nongovernmental entities. I have
16 been the Director of TEP since August of 2015. I have previously provided
17 testimony on behalf of TEP before this Commission, including in Docket UE-
18 161123 (PSE Microsoft Special Contract), Dockets UE-150204/UG-150205
19 (Avista's 2015 General Rate Case), Docket UE-152253 (Pacific Power 2015
20 General Rate Case), and Dockets UE-170033/UG-170034 (Puget Sound Energy
21 2017 General Rate Case).

1 Prior to my involvement with TEP, I was the Associate Director of a division at
2 Opportunity Council responsible for the implementation of a number of
3 weatherization programs benefitting low and moderate-income households
4 throughout northwest Washington State. Through my involvement with the
5 energy efficiency/regulatory sector, I have attended and presented at numerous
6 national conferences, participated in sector specific workshops and trainings, and
7 was a board member for Home Performance Washington from 2013-2015. A full
8 statement of my qualifications is contained in my Exh. SMC-2, filed October 27,
9 2017.

10 **Q: On whose behalf are you testifying?**

11 A: I am testifying for TEP, an intervenor in this proceeding, on behalf of the
12 Community Action Partnership (CAP) organizations that provide low-income
13 energy efficiency and bill payment assistance for customers in Avista's service
14 territory.

15 **Q: Have you previously filed testimony in this proceeding?**

16 A: Yes. I filed Response Testimony (Exh. SMC-1T) on October 27, 2017,
17 addressing low-income issues.

18 **II. PURPOSE OF TESTIMONY**

19 **Q: Could you please summarize the purpose of your testimony?**

20 A: The purpose of my testimony is to provide support for approval of the Multiparty
21 Partial Settlement Stipulation (Settlement) regarding cost of service, rate spread,
22 and rate design in this docket. My testimony focuses on the elements of the

1 Settlement that impact low-income populations within Avista’s service territory
2 and explains why The Energy Project believes the Settlement is in the public
3 interest.

4 **III. DISCUSSION OF LOW-INCOME ISSUES**

5 **Q: What concerns did The Energy Project have regarding the initial filing, as**
6 **regards rate design and rate spread?**

7 A: The Energy Project’s primary concern was with Avista’s proposed increases to
8 both electric and natural gas monthly customer charges. Avista initially proposed
9 to increase the electric monthly customer charge by \$1.50, from \$8.50 to \$10.00,
10 an increase of 17.6 percent.¹ For natural gas customers, Avista proposed an
11 increase of \$1.00, from \$9.00 to \$10.00, an approximately 11 percent increase.²
12 Increases in the basic monthly charge make energy less affordable for low-income
13 customers and penalize low-volume users in the residential rate class as compared
14 to high-volume users. Higher monthly charges also dilute the incentive for
15 customers to conserve.

16
17 With respect to rate spread, The Energy Project is generally concerned that
18 changes in rate spread affecting the residential class are fair and cost-based, avoid
19 rate shock and honor the principle of gradualism.

¹ Ehrbar, Exh. PDE-1T at 10:1-13

² Ehrbar, Exh. PDE-1T at 22:4-12

1 **Q: Can you identify the key elements of the Settlement that address The Energy**
2 **Project's concerns?**

3 A: The Energy Project is pleased that the Settlement reaches a compromise on the
4 level of increase for monthly customer charges. The increase in the electric
5 charge is limited to \$0.50 per month, resulting in a total monthly charge of \$9.00.
6 The gas customer charge increase is also limited to \$0.50 per month, resulting in a
7 total monthly charge of \$9.50. These customer charges would remain at this new
8 level until the next General Rate Case, whether or not a rate plan is approved.

9

10 In order to address parity concerns, the Settlement also provides that residential
11 customers will receive a slightly larger increase than other classes in the event of
12 a rate increase, or a slightly smaller decrease than other classes if rates go down.

13 **Q: Can you discuss why The Energy Project supports the settlement?**

14 A: Yes. The Settlement moderates the impact of the proposed customer charges
15 significantly. While The Energy Project would prefer not to see increases in
16 fixed charges as a general matter, the agreed increases are modest and have
17 substantially less negative impact on low-income customers than those originally
18 proposed. In addition, in the event a multi-year rate plan is approved in this
19 case, no further customer charge increases would occur,³ preserving rate stability

³ As stated in my Response Testimony, Exh. SMC-1T, The Energy Project does not support the approval of a multi-year rate plan.

1 and reducing negative rate impacts in subsequent years. For settlement purposes,
2 therefore, the customer charge increases are acceptable to The Energy Project.

3
4 With regard to rate spread, the Settlement moves the residential class closer to
5 parity in a moderate and incremental manner, avoiding rate shock. At the same
6 time, policy and analytic questions about cost-of-service methodology are
7 reserved for the Commission's generic cost-of-service docket, avoiding
8 duplication of effort and litigation expense for the parties. For the foregoing
9 reasons, The Energy Project believes the Settlement is in the public interest.

10 **IV. CONCLUSION**

11 **Q: Does The Energy Project support approval of the Settlement?**

12 A: Yes. The Energy Project believes that the Settlement is in the public interest and
13 recommends that it be approved by the Commission.

14 **Q: Does this conclude your testimony?**

15 A: Yes.