

16 July 2017

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA. 98504-7250

RECEIVED
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WASH. UT. & TP. COMM

Honorable Commission Members;

SUBJECT: Proposed Rate Adjustment Filed by Avista Corp. on 26 May 2017, to be Effective Sept. 1, 2017.

Proposed rate increase for Washington State electric customers serviced by Avista would amount to approximately 2.92 %, or 3.1 %, depending on the average kilowatt hours used. Avista's justification is to update the base level of power supply costs included in customer electric rates. This adjustment is expected to increase annual revenues by \$15 million. This request is subject to public review, and requires an approval from your commission.

As a long time customer, I officially object to this rate increase, based on Avista's absurd benefits and compensation package provided annually to their Chief Executive Officer, currently \$4.5 MILLION, and \$5.5 MILLION in 2014. THAT IS 30 TIMES THE ANNUAL SALARY OF THE PRESIDENT OF THE U.S.A. !!!!

On 13 May 2017 I submitted an official written request to the members of the Compensation and Organization Committee for Avista, requesting an explanation of the Job Description for their CEO, to determine any extreme and unique skill and capability required by Avista that would justify such an obscene and extremely inflated annual compensation. A copy of that letter is attached. To date, the only response is a note from their Executive Communications Manager, stating they have received my letter and have heard my concerns. To understand just how ridiculous this CEO compensation package is, approximately 1/3 of all the revenue increase to be received, (\$15 million) from millions of customers would equal the annual salary of just one employee, the CEO.

Thank you for your consideration.


Mack H. Cain

13 May 2017

Avista Utilities
Compensation and Organization Committee
1411 E. Mission Avenue
Spokane, WA. 99252

Chairman R. John Taylor
Mr. John F. Kelly
Ms. Rebecca A. Klein
Mr. Scott H. Maw

Honorable Members of the Compensation Committee;

An article published in The Spokesman Review on 3 March 2017 expounded on the annual compensation package of the CEO of Avista Utilities, Mr. Scott Morris. The article stated that his compensation for the past three years were as follows: 2014—5.5 million. 2015—3.6 million. 2016—4.5 million. Can you please explain the extreme and unique skill and capability required by Avista that would justify such an obscene and extremely inflated annual compensation? I do not doubt the skill and competency of Mr. Morris. What I am challenging is the decision of your board to justify such an unreasonable compensation package. I understand that his position as CEO requires his daily review of numerous balance sheets, the decisions on procurement, storage, utilization, safety, and operational procedures. It appears to me that Avista could easily obtain numerous professional managers with all of those skills, that would be happy to serve for a compensation package in the annual range of \$175,000.

Let us now review who pays for those annual compensations of 4.5 million to 5.5 million dollars. It is not the consumers of electricity and natural gas, it is the INVESTORS that loan the money to Avista, so that Avista can purchase service trucks, transformers, giant switching devices, poles, thousands of miles of high voltage lines, and thousands of other items necessary for Avista to provide the superior service that it does. With that, let us now review the compensation package received by those investors. Avista issued their Quarterly Earnings Statement dated 21 February 2017 of 0.62% per share and a planned Earnings of 0.36%. The Spokesman Review reported on Thursday, 11 May 2017 the annual return on investment of Avista Utilities for the past 365 days was 3.0%. So what does all this mean ??? It means that Avista is paying their CEO the equivalent of about what 5,000 individual investors earn, collectively, annually, by providing the funds to keep Avista operational. Does that sound fair to you?

The Executive Committee of Avista Utilities needs to take a hard look at its' executive compensation plan and provide a more balanced appreciation for ALL Avista employees, as well as for the importance and necessary return on investment to their investors.

I await your earliest response.

Sincerely, 
Mack H. Cain

Mr Mack H. Cain
3507 W. Excell Lane
Spokane, WA. 99208

SPokane WA 990

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