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BEFORE THE WASHINGTON

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UTILITIES AND TRANSPORTATION COMMISSION

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WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

) Docket Nos. UE-150204

) and UG-150205

5

Complainant,

) (Consolidated)

) Volume III

6

vs.

) Pages 24-45

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AVISTA CORPORATION, d/b/a

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AVISTA UTILITIES,

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Respondent.

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PUBLIC COMMENTS HEARING - VOLUME III

15

September 16th, 2015

16

12:00 p.m.

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11707 East Sprague Avenue

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Spokane Valley, Washington

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REPORTED BY: RACHAEL L. HALL, CCR NO. 3265

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1 SPOKANE VALLEY, WASHINGTON, WEDNESDAY, SEPTEMBER 16, 2015

2 12:00 P.M.

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4 CHAIRMAN DANNER: Good afternoon. This is the
5 second public comment hearing for the general rate case
6 involving Avista Utilities, and this is UTC Docket
7 UE-150204 and UG-150205. We are here in Spokane Valley.
8 Today is September 15th, 2015 -- thank you -- 16th,
9 September 16th, 2015 -- to hear from members of the public
10 about their concerns about a rate increase filing by Avista
11 that must be reviewed and approved by the Utilities and
12 Transportation Commission.

13 My name is Dave Danner, I'm chair of the
14 Utilities and Transportation Commission, and with me is my
15 colleague, Commissioner Ann Rendahl.

16 The Office of Public Counsel of the State
17 Attorney General's office has prepared a rate case
18 information sheet, which was on the table outside and was
19 available to you. If you don't have one, I recommend that
20 you get one. It has a very good synopsis of the case, and
21 so if you have questions, we have a representative from the
22 Office of Public Counsel here today who can answer
23 questions which you may have. If you have them, would you
24 raise your hand. We see the representative from the
25 Attorney General's office.

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1 So before we begin with public comment, we have a
2 short video that sets out the role of the UTC in the rate
3 case process, and I think it sets up a pretty good story
4 about how the rate case process works. So why don't we go
5 ahead and dim the lights and watch the video.

6

7 (Video played but not reported.)

8

9 CHAIRMAN DANNER: All right. Thank you very
10 much, John.

11 So at this point we would like to hear from
12 any members of the public, any customers of Avista who
13 want to talk about the rate case. And I understand that
14 even though issues may be complicated in these rate
15 cases, we encourage you even to talk about how the
16 impact of rate -- what the impact of rate increases
17 would have on you or your family, understanding that
18 when rates go up, it does affect people in the region.

19 So with that do we have a sign-in sheet,
20 John? All right. So it's a little longer than last
21 night's, so we have some people signed in, not wishing
22 to comment. Why don't we start, then, Julie Honekamp
23 from SNAP. Why don't you come forward? Commissioner
24 Rendahl is going to swear you in. This is part of our
25 rate case.

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1 COMMISSIONER RENDAHL: I'll make it official.
2 Do you swear or affirm the testimony you give today is
3 the truth, the whole truth and nothing but the truth?

4 MS. HONEKAMP: I do.

5 COMMISSIONER RENDAHL: Thank you. Please go
6 ahead and if you could state your name and organization
7 you're associated with.

8 MS. HONEKAMP: So, good afternoon, Chairman
9 Danner, Commissioner Rendahl. My name is Julie
10 Honekamp, J-U-L-I-E, H-O-N-E-K-A-M-P, and I reside in
11 the city of Spokane. I also have the good fortune of
12 serving as Spokane Neighborhood Action Partners, or
13 SNAP, CEO. For nearly 50 years, SNAP has served as
14 Spokane's community action agency. In 2014 we served
15 nearly 43,000 unduplicated low-income individuals
16 through 30 programs aimed at either stabilizing
17 households or equipping them to exit poverty.

18 In a subset of our work, in 2014 SNAP
19 provided energy assistance to 13,816 low-income
20 households through a mix of public, private and rate
21 payer dollars. So my hope for today is to share with
22 you some thoughts in three areas. My experience of this
23 last year, I want to circle back to some very specific
24 questions I was asked by the Commissioners last year and
25 provide you with some information on those questions,

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1 and then lastly to offer some broad thoughts about the
2 proposed partial settlement.

3 So I want to begin by sharing some really
4 poignant celebrations of this last year. There was some
5 very, very good work done. So coming out of the prior
6 rate case, there was a formation of a cross-sector group
7 who held six workshops focused on four specific goals,
8 and it has some great outcomes.

9 So the first outcome that I would like to
10 touch upon is a significant number of LIRAP program
11 modifications. So I have to commend the company for
12 listening carefully to those collaborators around the
13 table and listening to some of -- those that were
14 serviced; and they really took them to heart. And
15 really, we said, you know what, we can make those
16 changes in the aim of serving our clients and our
17 customers better.

18 The second major accomplishment is to the new
19 LIRAP pilot program for 800 seniors into stable
20 households, and I'm happy to share with you that we are
21 ready, even though the period was short from June to
22 standing up with a new program in October, already have
23 households prequalified and are ready to hit the ground
24 running October 1st. So kudos to all the partners and
25 again Avista's team for working over the summer and

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1 getting that ready to roll.

2 And I think the last outcome of that work
3 group was the -- kind of the official formation of an
4 energy assistance advisory group. And while that's been
5 happening informally, this is kind of the official
6 launch of that group, and they just met this past week.

7 So in addition to those things which we have
8 to celebrate, I don't want to overlook the 12,000
9 households that were served in LIRAP last year. That is
10 lot of horse power, a lot of clients that were served in
11 the last year.

12 And then I would just offer that SNAP's
13 partnership with the company, I feel, has never been
14 stronger and more resilient. This year, for me, it
15 moves to a real place of true partnership where there
16 were give and take, where their staff role-modeled in a
17 new way with respect for customers, and for the
18 partners.

19 This last year, SNAP actually issued an
20 award. We give away an award based on our values in
21 community justice and respect. And the award for
22 respect went to an Avista staff member who actually does
23 these connections. So that person was nominated by a
24 number of SNAP staff members who felt so strongly
25 about how -- Ryan Wally's his name -- worked with

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1 individual customers to do something so hard and yet
2 treated people with respect. So I would just say
3 overall, the partnership is very strong, so while you
4 might have different missions, I do think we share a
5 joint common interest of a strong community.

6 So the second area is to circle back and
7 answer a request, and there were actually two very
8 specific questions posed by the Commissioners last year.
9 The first had to do with them asking me how many
10 estimated LIRAP eligible households did I believe there
11 were in the Avista service territory which I believe
12 covers 11 counties. Not only did they want to know that
13 scope of how many households there were, but they wanted
14 to know about certain income levels.

15 And so I shared with John, and hopefully he
16 will pass to you, a document that SNAP commissioned with
17 Eastern Washington University, and I believe this was an
18 attachment in a prior filing. We also had help with
19 Avista staff partnering with Eastern to make this
20 possible.

21 So what you'll find in here is a summation of
22 the range of households. So what they did was they
23 looked at if households at 50 percent of the federal
24 poverty level, what would that number be, and it was
25 determined that it was 18,264. That's kind of the low

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1 end, and that was a request from, I believe,
2 Commissioner Jones.

3 At 125 percent of the federal poverty level,
4 which is the income level we serve now with LIRAP, there
5 are 51,130 households. That means in the 2013/14
6 season, we served 24 percent of eligible households.
7 And then all the way up at the very top end, we went to
8 serving 200 percent of the federal poverty level, that
9 would be just over 85,000 households in the Avista
10 service territory.

11 CHAIRMAN DANNER: I'm sorry, how many?

12 MS. HONEKAMP: 85,159. And those are all
13 spelled out on page 2 of this document.

14 The second question I asked was how much did
15 I estimate it would take to fully meet the need? And so
16 assuming a very conservative, what I'm calling a take-up
17 rate of only 50 percent of eligible households, would
18 avail themselves to energy assistance, we estimate at
19 the current income level, which is the 125 percent
20 poverty, that it would take roughly \$10.7 million a
21 year.

22 If you have follow-up questions, I'm happy to
23 flush those out later.

24 CHAIRMAN DANNER: Okay. Thank you. Ms.
25 Honekamp, I was trying to jot these numbers down. I

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1 know it's in the report, but can you give me again, the
2 one at 125 percent.

3 MS. HONEKAMP: So the number of households is
4 51,130, and then the amount of revenue we believe it
5 would take to serve 50 percent of those households is
6 \$10.7 million a year.

7 CHAIRMAN DANNER: Thank you.

8 MS. HONEKAMP: And then some broad thoughts
9 about the proposed partial settlement. So I am very
10 supportive of the customer charge remaining at the
11 current level. Additionally, very supportive of the
12 multi-year step increase to LIRAP over a five-year
13 period which is aiming towards serving more households.
14 And I understand there's a range between 7 percent on
15 the company side and 10 percent on the energy project
16 side, and in that range I am supportive.

17 And then I would add, I believe that any
18 increase in any service, whether that's water or energy
19 or even your medical premiums, is a burden to our
20 customers and clients. Incomes, as you know, for low
21 income and fixed income households are not keeping pace
22 with increasing expenditures. And in 2013, Spokane
23 County had 17.1 percent of the total population living
24 below the federal poverty line. That is a full 3
25 percent higher in the state as a whole.

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1 So my takeaways from this year, a lot of
2 really great work, hard work, great work on behalf of
3 the clients we serve, and I'm also very encouraged about
4 the direction we're headed. I also have some great
5 thanks, not only for public counsel and the company, but
6 the industrial customers who agreed to participate in
7 the LIRAP program this year, Commission staff and the
8 energy project. So I am hopeful it was a very good
9 year, a lot of hard work. I got a binder, we all joke,
10 about this big, you know, from one kind of six-month
11 period of time, but I believe we are in the right
12 direction on behalf of the low-income individuals.

13 And then also I just thank you for making the
14 trek to Spokane. I know it's a big commitment, and it's
15 always a little sad to me that there are not more folks
16 here, but please know that there are 43,000 low-income
17 people standing right behind me. So thank you for
18 making the extra effort.

19 CHAIRMAN DANNER: Thank you very much and
20 thank you for the work you do. I'll just let you know
21 we have received many written comments, so it's not a
22 sign, the fact that people aren't here on their lunch
23 hour, it's not a sign of disinterest. And I don't have
24 any questions for you, but again, I want to thank you
25 for the work you do and for being part of this process

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1 as well.

2 COMMISSIONER RENDAHL: I also want to echo to
3 your comments. We do appreciate you being here and the
4 work that you've done with the partnership. Is that
5 something you would recommend we mirror in other utility
6 service territories?

7 MS. HONEKAMP: Indeed. In fact, I -- there's
8 little key partnership and big key partnership in my
9 experience, as I work across the 30 different programs
10 that we administer. This is a big key partnership. It
11 is give and take. It is real listening and having us
12 understand why they need a rate of return and having
13 them understand why it's a hardship for us to act in a
14 certain way. And I would definitely want the whole
15 state to operate this way, if it is possible.

16 COMMISSIONER RENDAHL: Thank you.

17 CHAIRMAN DANNER: I do have one question of
18 you involving, basically, what kind of federal energy
19 assistance does your group get and what is that directed
20 toward?

21 MS. HONEKAMP: So we do receive LIHEAP, which
22 is the federal flavor of energy assistance. It has been
23 on a fairly dramatic decline over the years, and to be
24 quite honest, in our current environment I don't see it
25 going back up. In fact, I worry very much about this

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1 year with the proposed federal shutdown right at the
2 beginning of the energy season, what the impacts will
3 be. So that is the predominant flavor that we receive
4 at the federal level.

5 We also have private shareholder dollars from
6 Avista and from other local utilities helping to support
7 this effort as well as individual donations through our
8 project share program that the company helps with.

9 CHAIRMAN DANNER: Thank you very much.

10 MS. HONEKAMP: You're welcome.

11 CHAIRMAN DANNER: Any other questions? Thank
12 you so much. Appreciate it.

13 And then we also have side of motion to
14 comment Lucy Binky (phonetic) from SNAP and Carol Wells
15 from SNAP, thank you for being here.

16 Lynn Kimball is signed up from Aging and
17 Long-Term Care, a DHSS Department of Social and Health
18 Services.

19 Good Afternoon.

20 MS. KIMBALL: Good afternoon.

21 COMMISSIONER RENDAHL: Please state your name
22 and your organization for the record.

23 MS. KIMBALL: I'm Lynn Kimball, executive
24 director of Aging and Long-Term Care, Eastern
25 Washington.

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1 COMMISSIONER RENDAHL: Thank you. Do you
2 swear or affirm that the testimony you give today is the
3 truth, the whole truth and nothing but the truth?

4 MS. KIMBALL: I do.

5 COMMISSIONER RENDAHL: Okay. Please go
6 ahead.

7 MS. KIMBALL: Good afternoon. Thank you for
8 holding this hearing today in Spokane Valley. My name
9 is Lynn Kimball. I'm executive director of Aging and
10 Long-Term Care. I'm here speaking on behalf of our
11 planning and management council. The council are
12 volunteers that represent seniors, older adults and
13 people with disabilities living throughout Ferry, Pend
14 Oreille, Stevens, Spokane and Whitman Counties.

15 Based on consideration of the rate case
16 issues and the need for low-income and older adults in
17 our five-county service area, the council members voted
18 not to support the rate increases that were proposed by
19 Avista for the provision of electricity and gas, as well
20 as increasing base rates, but rather to support the rate
21 deductions proposed by public counsel. And I know since
22 they did vote on this, there has been a different
23 settlement proposed, so we would support anything that
24 wouldn't increase rates for older adults and low-income
25 individuals in our service area.

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1 So as you consider this rate case for 2015,
2 our council request that you take into consideration
3 some of the following data statistics we have about our
4 service area programs, and also have some information
5 I'll leave behind as well that provide some back-up data
6 information.

7 So first of all, according to the elder
8 economic security index, 44 percent of senior households
9 in Washington State lack income that would provide
10 economic security and insulate against poverty and age.
11 Older adults that live alone, that rent, older women and
12 minorities have the highest rates of economic and
13 security across the state. So this is looking above the
14 poverty line but actually what does it cost to live
15 day-to-day living at any one of the counties across the
16 state.

17 Elders with acute medical and long-term care
18 needs are faced with a disproportionate of -- economic
19 and security. The rate increases to 55 percent for this
20 population. So we have a number of people, their
21 medical needs increase, it becomes more and more harder
22 to live day-to-day and across the state.

23 In 2014, Aging and Long-Term Care and our
24 network of partners served almost 30,000 individuals
25 within our five-county region; and this is helping with

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1 basic needs such as nutrition, case management, benefit
2 counseling, home repair -- many different services.
3 About 45 percent of the people we serve live below the
4 poverty line, so we're dealing with a very large number
5 of low-income, chronically ill individuals throughout
6 our whole region.

7 And rate increases do disproportionately
8 affect this population; people living on fixed incomes,
9 people who have high medical costs and some medical
10 needs. It definitely does become natural to approve
11 medication, rent -- keeping it low. Many older adults
12 as well in our region rely on Social Security as the
13 primary source of income. There has not been a
14 proportionate increase in Social Security in the past
15 year but has stayed at 1 and a half percent.

16 And we also have a large number of older
17 adults and people with disabilities in the region on
18 Medicaid as well, their incomes low enough to qualify
19 for that service. Our agency and our partners, we
20 served around 4,000 individuals this last year who had
21 Medicaid most of them with really low income, high
22 medical needs that are definitely disproportionately
23 affected by the rate increases and increases in
24 utilities.

25 We definitely, as part of this rate case,

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1 support any increases that would come to the LIRAP
2 program. Our population and the people we serve rely
3 very heavily on LIRAP to help offset the cost of energy
4 especially during the winter season. We also want to
5 commend Avista staff for the work they have done in this
6 past year around LIRAP and really coming up with some
7 unique ways to really address the issues with that
8 program to come up with this new pilot that we think
9 shows a lot of promise for serving the population that
10 we've had difficulty serving in really keeping it stable
11 over the past number of years.

12 So with that, I certainly appreciate the
13 opportunity to come and testify, and I thank you both
14 for listening to our concerns.

15 CHAIRMAN DANNER: Well, thank you very much,
16 and thank you for the work you do and the council does.
17 You said you serve a five-county area. Are there
18 similar structures for the other 29 counties or --

19 MS. KIMBALL: Yes.

20 CHAIRMAN DANNER: -- 24 counties -- 34
21 counties. Did I say that wrong?

22 MS. KIMBALL: Yeah. We're an agency on
23 aging, and we're designated by the state, so there's 13
24 of us statewide. So we're all across the states and
25 includes two tribal organizations as well.

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1 CHAIRMAN DANNER: Okay.

2 COMMISSIONER RENDAHL: Thank you. Is the
3 documents you're going to leave us, would that have some
4 of these data --

5 MS. KIMBALL: Yes.

6 COMMISSIONER RENDAHL: -- that you mentioned?

7 MS. KIMBALL: Yes. It has a copy of
8 testimony as well as the new draft report from Wider
9 Opportunities for Women, which compiles elder economics
10 security index and some data we've compiled from the
11 past couple of years of elder economics security indexes
12 for Spokane County.

13 CHAIRMAN DANNER: Thank you. I think just
14 for the record, the written materials that you're
15 bringing and the ones that Ms. Honekamp brought, we will
16 make part of the public comment record in this
17 proceeding. I just want to make sure that's
18 understood.

19 COMMISSIONER RENDAHL: Yes. I have one other
20 question that I probably should have asked Ms. Honekamp
21 as well. To what extent has this disastrous wildfire
22 season affected some of the individuals that may be at
23 risk who we serve, and are there additional things that
24 need to be done to address those issues?

25 MS. KIMBALL: Well, in our service area, we

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1 have a number of case-managed clients in the -- there
2 are counties from Stevens County and some are even in
3 Pend Oreille County that did suffer with evacuations but
4 clearly had no lives lost. We did not have property
5 loss, which we were really fortunate and we're extremely
6 just thankful to the response of everyone who responded
7 in those cases. I can't speak to the electric or gas or
8 the heating needs of those customers, but I do know
9 we've been thankful we didn't have anyone displaced by
10 the fires this season. A lot of medical issues with the
11 smoke, but thankfully nobody was displaced.

12 COMMISSIONER RENDAHL: Okay. Thank you.

13 CHAIRMAN DANNER: Thank you very much.

14 Yolanda Lovato also from DHSS, do you wish to come
15 forward?

16 MS. LOVATO: Good afternoon.

17 COMMISSIONER RENDAHL: Good afternoon. If
18 you could state your name and your organization for the
19 record, that would be helpful.

20 MS. LOVATO: I'm Yolanda Lovato, and I'm with
21 Aging and Long-Term Care of Eastern Washington.

22 COMMISSIONER RENDAHL: Could you spell your
23 last name for the court reporter, please.

24 MS. LOVATO: L-O-V-A-T-O.

25 COMMISSIONER RENDAHL: Thank you. And if

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1 you'd raise your right hand?

2 Do you swear or affirm that the testimony you
3 give today is the truth, the whole truth and nothing but
4 the truth?

5 MS. LOVATO: I do.

6 COMMISSIONER RENDAHL: Thank you. Please go
7 ahead.

8 MS. LOVATO: Thank you for your time and the
9 opportunity to stand before you. I'm relatively new to
10 the area and have been rather impressed by the due
11 diligence that has been and the partnership between
12 Avista and SNAP and other members in this community. As
13 Lynn Kimball, the director of Aging and Long-Term Care
14 indicated, we serve a vast majority of people who are
15 low income, who have medical instability, acute medical
16 needs and are disproportionately represented in our
17 area. The proposal that will not increase rates is
18 really significant, and we commend that.

19 What I would like us to consider, though, is
20 that if we consider rate increase, we need to look
21 beyond the impact that it has on the populations that we
22 serve, these individuals who suffer rate increases who
23 access health services and acute medical care, that will
24 ultimately impact everyone in the community. And so
25 it's not just a matter of the impact it has on their

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1 lives but from a broader perspective it will have a
2 greater impact across the greater community. And so I'd
3 like us to be mindful of that.

4 COMMISSIONER RENDAHL: Thank you.

5 CHAIRMAN DANNER: Thank you. Any questions?
6 All right. Thanks so much.

7 And finally, Philip Dugan has signed up. Do
8 you wish to make a comment today?

9 MR. DUGAN: No. I had some questions for the
10 lady of SNAP.

11 CHAIRMAN DANNER: Okay. Well, I would ask
12 you to do those off line, unless you have comments that
13 you want to make to us on the rate case. And to let you
14 know there's also a -- representatives of the company
15 here and representatives of the Office of Public
16 Counsel, the Attorney General, who represents the
17 interest of the public in our cases.

18 So if there's no one else today who is
19 wishing to testify or make comments on this rate case,
20 then I think at this point we can -- we will be
21 adjourned. We are adjourned.

22 (Proceedings concluded at 12:42 p.m.)

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C E R T I F I C A T E

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STATE OF WASHINGTON)

3

) ss.

COUNTY OF SPOKANE)

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I, RACHAEL L. HALL, do hereby certify that

6

pursuant to the Rules of Civil Procedure, that I

7

transcribed the oral proceedings in the foregoing matter;

8

and that the foregoing transcript pages constitute a

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full, true and correct record of such oral proceedings

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and of the whole thereof.

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Witness my hand this 25th day of September, 2015.

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20 RACHAEL LOUISE HALL

CSR, CRR NO. 3265

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