

**Docket Nos. UE-190334, UG-190335, and UE-190222
(Consolidated) - Vol. III**

WUTC v. Avista Corporation d/b/a Avista Utilities

October 28, 2019



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BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	DOCKETS UE-190334, UG-190335
TRANSPORTATION COMMISSION,)	and UE-190222 (Consolidated)
)	
Complaint,)	
)	
vs.)	
)	
AVISTA CORPORATION, d/b/a)	
AVISTA UTILITIES,)	
)	
Respondent.)	

PUBLIC COMMENT HEARING

VOLUME III

Pages 131-161

CHAIRMAN DAVE DANNER PRESIDING

October 28, 2019

6:00 P.M.

Northeast Community Center
4001 North Cook Street
Spokane, Washington 99207

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Page 132

1 C O M M I S S I O N M E M B E R S P R E S E N T

- 2 Chairman David Danner
- 3 Commissioner Jay Balasbas
- 4 Commissioner Ann Rendahl

5

6 P U B L I C C O M M E N T P A R T I C I P A N T S

7 PAGE

8	Mike Bell, Northwest Citizens Power Coalition Treasurer.....	5
9	Lucy Lepinski, Spokane Neighborhood Action Partners COO.....	11
10	Ed Duhaime.....	14
11	Pauline Druffel.....	15
12	Brian Henning.....	17
13	Mavis Barnes.....	21
14	Stacy Cossey.....	23
15	Pat McCormick.....	24
16	Elizabeth Williams.....	28

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1 SPOKANE, WASHINGTON; OCTOBER 28, 2019

2 5:58 P.M.

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

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6 CHAIRMAN DANNER: All right. Good evening, everyone, and
7 thank you for coming out on what appears to be a cold
8 evening. I wasn't expecting that, but we're glad to be here
9 at the Northeast Community Center. And this is the public
10 comment hearing in the general rate case that was filed by
11 Avista on April 30th, 2019. And just for the record, this
12 is Docket UE-190334 and UG-190335.

13 My name is Dave Danner. I'm the chair of the Utilities
14 and Transportation Commission. And I am joined by my
15 colleagues, Commissioner Ann Rendahl and Commissioner Jay
16 Balasbas, and our purpose tonight is to hear from members of
17 the public, customers of Avista, for their thoughts about
18 the proposal that we have before us from Avista.

19 As I mentioned, on April 30th, 2019, Avista filed a
20 request with the Washington Utilities and Transportation
21 Commission to increase its rates for electric, natural
22 gas -- for electric and natural gas service for the next two
23 years.

24 In the first year, the company proposes an electric rate
25 increase of 45.8 million and a gas rate increase of

Page 134

1 12.9 million, and these would be, respectively, a
2 9.1 percent increase for electricity, and a 13.8 percent
3 increase for gas.

4 In the second year, the company proposes to increase
5 electric rates by an additional 18.9 million, an increase
6 of -- I'm sorry -- and natural gas rates by 6.5 million. So
7 for the electric bill, that would be a 9.8 percent increase,
8 and for the gas, that would be a 9.9 increase in the first
9 year. In the second year, the increase would be an
10 additional 3.9 percent for electricity and 5 percent for
11 gas. And so if I didn't get that right, I will expect the
12 company to correct me, but I believe that those are correct
13 numbers.

14 So the way the UTC processes work is the three of us sit
15 as judges. The utility makes a request, submits a proposal,
16 and submits the supporting testimony. We then have -- we go
17 into an adjudicatory proceeding, where the company is just
18 one party among many. There are other -- the customers are
19 represented and the public is represented by the Public
20 Counsel Unit of the Attorney General's Office. We also have
21 certain other groups, such as industrial customers and
22 environmental groups who participate.

23 But tonight, our purpose is to hear directly from
24 customers who are concerned or interested in the proposal
25 the company has to make, and so tonight we will be listening

1 to you about your thoughts about what the company is
2 proposing.

3 We will make the decision -- we have 11 months by statute
4 to make our decision, and so that will be the longest time
5 we will take to render a decision in this case.

6 So unless my colleagues have anything to say, what I'd
7 like to do is just open it up for testimony. I see we have
8 a number of people signed up tonight, and I will start just
9 in the order that people have signed up.

10 So let's start with Mr. Mike Bell.

11 MR. BELL: Do you have a preference which seat I take?

12 CHAIRMAN DANNER: No. You take any seat you want. We
13 only have one microphone, so you and us, we are going to
14 share.

15 MR. BELL: Oh, I thought that one might be --

16 CHAIRMAN DANNER: That one won't do much for you, so...

17 MR. BELL: Okay. Well, thank you for coming to Spokane,
18 and I appreciate you all having your meeting in the evening
19 when normal working people can show up and give their
20 opinion if they so choose. Too many of these commission
21 hearings are during the day, and a lot of people complain
22 about the fact they can't show up or they have to take off
23 from work.

24 My name is Mike Bell. I'm the treasurer for the Northwest
25 Citizens Power Coalition, NWCPC. Our members are all Avista

Page 136

1 ratepayers. Our organization was formed as a result of the
2 previous request by Avista to get permission to transfer
3 ownership through sale or merger to Hydro One. We
4 appreciate the Washington Utility and Transportation
5 Commission commissioners for doing a thorough job to get to
6 the bottom of the Hydro One request and your subsequent
7 denial of their request to transfer ownership to Hydro One.

8 I need to mention at this time we are disappointed, too,
9 that the UTC staff and other organizations that have been
10 granted petitions to intervene on behalf of the customers,
11 to safeguard the Avista customers and the broader public
12 interest, because they recommended that the Hydro One Avista
13 deal go through. And I was, personally, and a lot of our
14 members were totally appalled by that recommendation coming
15 from staff and coming from the other interveners. We
16 believe the organizations' granted intervener status should
17 have done a much better job to safeguard the Avista
18 customers and the broad er public interest.

19 In the UTC's denial of that request, the following
20 statement was made: "Having found that the proposed
21 transaction did not make customers better off than they
22 would have" -- "they would be without it, we conclude as a
23 matter of law that the proposed transaction does not provide
24 a net benefit to customers." And we totally agree with that
25 statement.

1 At issue today is the commissioners' consideration of the
2 Avista rate increase, and we offer the following comments:

3 The Idaho Utility Commission approved a 2.9 percent
4 electric rate increase effective October 1, with an average
5 bill going up by \$2.40. The Idaho rate is well below -- or
6 rate increase is well below the recommended Washington
7 electric rate increase of, as I computed, 5.1 percent, which
8 would add to the monthly residential rate about \$4.72. So
9 the amounts that were approved by the Idaho commission were
10 roughly half, or less than half, of what's being recommended
11 by staff, and we'd like to know why Avista's Washington
12 electric customers are paying more than Idaho electric
13 customers for essentially the same electricity.

14 The Oregon Utility Commission approved a 4.2 percent gas
15 rate increase effective October 8, 2019, with an average
16 monthly residential increase of \$2.19. The Oregon rate
17 increase is well below the recommended Washington gas rate
18 increase of 6.4 percent, according to my calculations. And
19 so we would again like to know why Washington Avista gas
20 customers are paying more than Idaho gas customers for
21 essentially the same natural gas.

22 When NWCPC was denied intervener status by the Washington
23 Utility Commission, we received assurances from the
24 Washington Attorney General's Office that they would provide
25 staff -- and they provide staff to the Utility Commission --

Page 138

1 that they would make every effort to safeguard the
2 customer -- the Avista customers' interests and the broader
3 public interest. And we believe the UTC has reduced the
4 original Avista rate request substantially, but the final
5 recommended rate increase is still too high.

6 Included in the rate increase arguments that Avista -- is
7 that Avista shareholders must receive an equitable rate of
8 return for their investment to ensure that Avista can
9 attract investors in the future. The original request was
10 for a 9.5 percent return for their shareholders. A
11 9 percent -- 9.5 percent return for shareholders investing
12 in a utility is ridiculous because Avista has a monopoly on
13 the local utilities, and that return to the shareholders is
14 pretty much guaranteed. In this day and time, 9.5 percent
15 for an investment is substantially more than Avista needs to
16 attract shareholders in the future, and the -- even though
17 the WUTC staff reduced the rate of return to approximately
18 9 percent, in our opinion, it's still way too high.

19 The Avista rate process began back in April of 2019, seven
20 months ago. At that time, the Avista price was trading --
21 share price was trading as \$40.63. In the seven short
22 months since the rate process started, Avista's share price
23 has increased by 17 percent to 47.62. That represents an
24 equity value increase of more than \$460 million in seven
25 months. In my opinion, a reasonable increase for stock

1 value, or increase in stock value, would be about 5 percent
2 per year, or 2.9 percent over a seven-month period, not 17
3 percent.

4 The primary reason why Avista's share price would go up by
5 more than 17 percent is because they anticipate a rate
6 increase that is substantially more than the investors are
7 expecting and, in my opinion, overly generous. In fact, the
8 price has increased -- or increase also suggests that there
9 is no shortage of investors for Avista stock.

10 What type of rate increase should the commissions -- or
11 the WUTC commissioners approve to keep Avista's share price
12 increase at a reasonable amount of 5 percent annually? I
13 think that the UTC staff have missed the mark and should
14 consider granting a rate increase for both electric and gas
15 rates that is closer to half the currently recommended
16 amount or 9. -- or 2.9 percent for electric and 3.2 for gas.

17 Finally, it's my opinion that the process of increasing
18 utility rates in Washington, Idaho, and Oregon are overly
19 generous and have been for the last decade. And November --
20 on November 1, 2009, Avista's share price was less than
21 \$19 per share, as compared to the current price of close to
22 \$48 a share. This is a 150 percent increase in the share
23 price. It also reflects an increase in the shareholder
24 stock value of almost \$1.9 billion in the last ten years,
25 and the vast majority of this is due to rate increases that

Page 140

1 have been approved and -- by the various commissions.

2 Since Avista's primary source of revenue is the
3 ratepayers, it clearly indicates that the ratepayers will
4 eventually be required to repay the shareholders' equity in
5 the form of higher utility rates. This is another
6 indication that the rate setting process has been overly
7 generous for a decade and is broken. It needs to stop. At
8 a 5 percent rate of return on equity for the last ten years,
9 Avista's share price would be approximately \$31 a share, not
10 48, and perhaps a zero percent rate increase to shareholders
11 should be approved until the utility's share price returns
12 to a reasonable level.

13 In conclusion, there are members of the Avista rate
14 setting community that believe that the Inland Northwest has
15 outgrown its need for investor-owned utilities. We believe
16 that Avista should be converted to a ratepayer-owned
17 cooperative with a primary focus on ratepayers' well being,
18 as opposed to shareholders' well being. If a lower rate of
19 return of investment is not acceptable to the Avista
20 shareholders, then the Avista shareholders need to know that
21 there are ratepayers waiting in the wings to operate Avista
22 as a co-op and eliminate the need for outside investment.

23 This type of conversion would eliminate \$100 million of
24 dividends going to investors, primarily in New York City,
25 eliminate income tax, eliminate costly advertising, and

1 reduce operating costs in other areas. Cooperatives have
2 better customer satisfaction, lower rates, and better
3 infrastructure than investor-owned utilities, and it's -- it
4 is the -- it is past time that we make this change.

5 And I provided the commission with a copy of this, and so
6 that's my testimony.

7 Thank you for your time.

8 CHAIRMAN DANNER: All right. Thank you. And you provided
9 that to (inaudible).

10 All right. Thank you.

11 Carol Welsh (phonetic), you do not wish to testify?

12 Lucy Lepinski.

13 MS. LEPINSKI: Good evening, Commissioners. My name is
14 Lucy Lepinski, and I serve as the COO of Spokane
15 Neighborhood Action Partners, better known as SNAP.

16 For over 50 years, SNAP has served as the Spokane area
17 community action agency. In 2018, we served 45,124
18 unduplicated individuals through nearly 30 programs aimed at
19 either stabilizing low-income individuals or equipping them
20 to exit poverty.

21 I share three recommendations today: That 150 percent of
22 the federal poverty limit should increase for LIRAP, that
23 the LIRAP plan shouldn't change, and that the low-income
24 weatherization budget should increase.

25 In 2018, SNAP provided energy assistance to 11,999

Page 142

1 low-income households through a mix of public, private, and
2 ratepayer dollars. Avista customers with income at or below
3 150 percent of the federal poverty level are eligible for
4 bill assistance through LIRAP. Other measures of need
5 indicate that the federal poverty level is a conservative
6 metric for measuring poverty. For example, the
7 Self-Sufficiency Standard that was developed at the
8 University of Washington measures how much income families
9 of various size need to make ends meet without assistance.
10 If the Self-Sufficiency Standard is used, 200 percent of the
11 poverty level is a more accurate measure of poverty. Per
12 the Spokane Regional Health District, in 2010, more than
13 3 in 10, or 34 percent of Spokane County residents lived
14 below 200 percent of the federal poverty level. The
15 proportion of Spokane residents living below that level was
16 significantly higher than the statewide percentage of 30
17 percent.

18 SNAP serves 7,213 households with LIRAP funds in 2018.
19 LIRAP is currently operating under a five-year plan approved
20 by the commission in 2015. It is SNAP's opinion that there
21 is no need to modify the LIRAP program plan or formula at
22 this time. SNAP recommends that the commission extend the
23 LIRAP plan formula for the duration of any rate plan
24 approved.

25 Let me tell you about Amy here in Spokane. She previously

1 owned two small businesses which ceased operations when she
2 was bedridden with a rare blood disorder. Her husband lost
3 his job as well, and they both faced financial crisis. A
4 community worker informed them about SNAP's energy
5 assistance, which provided critical support that winter and
6 the next. These funds kept their power from being shut off.
7 Amy now has become a project share donor as a way of giving
8 thanks.

9 SNAP weatherized 246 low-income homes in 2018 and received
10 2,337 inquiries about weatherization. Growing the available
11 budget for weatherization would allow for more households to
12 mitigate the increase in their rates as a result of this
13 case. It will also help to expand services to as yet
14 unserved customers. SNAP has a wait list of 487 households
15 interested in weatherization.

16 SNAP supports The Energy Project's recommendation to
17 increase the low-income weatherization budget, allow for
18 additional repairs, and increase the health and safety
19 measures allocation to 30 percent.

20 Allow me to tell you about Connie. She is a client whose
21 husband fell on poor health. Her home was inefficient and
22 hiked her utility bills. SNAP did a great job weatherizing
23 her home. And now, gone are the days when she had to choose
24 between a warm home or her husband's medications.

25 Lastly, thank you for holding a hearing hear in Spokane

Page 144

1 and in the evening and for the effort you make to set fair,
2 just, reasonable, and sufficient rates.

3 Thank you.

4 CHAIRMAN DANNER: Thank you, Ms. Lepinski. Thank you for
5 the work that you and SNAP do.

6 All right. Next, Ed Duhaime. Did I get that right?

7 MR. DUHAIME: Duhaime.

8 CHAIRMAN DANNER: Duhaime.

9 MR. DUHAIME: Yes.

10 CHAIRMAN DANNER: Okay. Just, is it H-A-I-N-E or --

11 MR. DUHAIME: M.

12 CHAIRMAN DANNER: M-E. Okay.

13 Come forward if you'd like to address us.

14 MR. DUHAIME: I just have a question or two. One question
15 is: Does the commission have a way to independently check
16 on the quality of the infrastructure for Avista? Is there
17 an independent like auditing of the -- you know, that's --
18 because what I understand, that the -- like the co-ops that
19 surround Avista have a better infrastructure than Avista
20 has.

21 CHAIRMAN DANNER: So let me -- I usually set the ground
22 rules at the very beginning. Because we are an adjudicative
23 body and this is an adjudicative hearing at the time, we
24 don't -- we take all questions as rhetorical, and we don't
25 actually get into a give-and-take here.

1 That said, I would note that the Public Counsel is in the
2 audience and --

3 Nina Suetake, do you want to raise your hand, from Public
4 Counsel?

5 In addition, there are several representatives of the
6 company. So I would start with the questions there. We
7 also have commission staff here. They will probably have to
8 refer your question to our expert staff. But we're not
9 going to get -- we're not going to engage that, and it's
10 just basically the nature of the proceeding.

11 MR. DUHAIME: Okay.

12 CHAIRMAN DANNER: So I appreciate the questions. I just
13 am not in a position to answer them.

14 MR. DUHAIME: So are you taking any questions at all, even
15 about the rates?

16 CHAIRMAN DANNER: No.

17 MR. DUHAIME: Okay.

18 MR. BELL: You can make a statement.

19 MR. DUHAIME: Yes.

20 CHAIRMAN DANNER: You can make a statement. And, again,
21 the staff, the company, and Public Counsel are here for the
22 questions.

23 MR. DUHAIME: Okay. All right.

24 CHAIRMAN DANNER: All right. Thank you.

25 Pauline Druffel.

Page 146

1 MS. DRUFFEL: Thank you.

2 Good evening. Good evening. I am Pauline Druffel, and I
3 reside here in Spokane. I am grateful that you have come to
4 Spokane to hear our voices related to Avista's requested
5 rate increase, and I am grateful that you take our concerns
6 into consideration as you evaluate the rate increases.

7 I actually hope you do not give Avista the increase they
8 are currently asking for. It seems to me they, as a policy,
9 would like the rates to go up each year. This can be
10 especially hard on low-income elderly folks or on families
11 just caring to survive in their homes. And you've already
12 heard from the representative from SNAP, so I'm not going to
13 go into that.

14 My primary focus today is my concern that Avista and the
15 other owners of the Colstrip coal power plant are going to
16 keep trying to prop up this plant, in spite of the fact that
17 the burning of coal is adding to global warming. And in
18 addition, our 2019 Washington state legislature passed the
19 100 percent clean energy bill, which requires that by 2025
20 no coal-based electricity be sold in Washington state.

21 For many years, citizens of Spokane, myself included, have
22 been working at getting Avista to divest itself of this
23 fossil fuel-burning plant. We are very pleased with the
24 state legislature's action. We surely don't want to now
25 have increased Avista rates to pay for capital expenses

1 aimed at buttressing up Colstrip, especially as renewable
2 energy gets cheaper, cheaper than coal.

3 Another issue is the reality that Colstrip is a toxic
4 waste site. Its coal ash ponds were not properly lined, and
5 the water has leaked out from them and polluted the water
6 all around the town and out into the country, where ranchers
7 have depended upon that water for their cattle.

8 Avista and the other owners of Colstrip surely should not
9 be allowed to walk away from the mess that they have made in
10 that part of Montana. For years, many concerned citizens
11 have been pointing out the travesty of what has been
12 happening there, and all the while Avista's top management
13 and shareholders have been accumulating considerable wealth.

14 When the Hydro One deal fell through, Avista received a
15 \$103 million windfall from the failed merger. I think
16 Avista should have to use that 103 million to help pay for
17 the cleaning up the toxic coal ash ponds. They should also
18 be required, or at least with goodwill set aside money to
19 help transition the workers of Colstrip to new clean energy
20 jobs. Those costs certainly should not be put on the backs
21 of us who over the years have been pointing out the
22 injustice that Colstrip has been doing to the area there and
23 the country in general. The world, actually, in general.

24 Thank you.

25 CHAIRMAN DANNER: All right. Thank you very much.

Page 148

1 Brian Henning?

2 DR. HENNING: Good evening. Dr. Brian Henning, Avista
3 ratepayer, resident of the Spokane. Really happy to have
4 you here tonight. Thanks for coming over here on the cold
5 side of the state. We appreciate it, especially with all of
6 the rule-making that you have going on. I know you're very
7 busy.

8 My testimony this evening relates to Avista's rate
9 request, 13.7 percent two-year increase, and its connection
10 to Avista's 15 percent stake in the Colstrip Units 3 and 4
11 that Ms. Druffel was just mentioning. I want to maybe
12 expand a little bit on several of her points.

13 I am concerned that despite the 100 percent clean energy
14 legislation that was passed by our legislature last spring,
15 which requires that coal be phased out of our grid by 2025,
16 is not being followed in terms of how to sunset the Colstrip
17 plant, and that not sufficient work is being done to develop
18 a plan making sure that ratepayers don't end up having to
19 pay for the capital costs and the cleanup related to
20 Colstrip.

21 In particular, I have four concerns:

22 First, I'm concerned that Avista is pouring millions of
23 dollars right now and today into the Colstrip plant to
24 continue its existence beyond 2025 as mandated by our new
25 state law, and that it's unreasonable to ask Washington

1 ratepayers to pay for the expenses related to extending the
2 life of Colstrip beyond 2025. Why should it be that
3 Washington Avista customers should be bearing the costs of
4 investments that they will not benefit from? I would hope
5 that UTTC would ask Avista to commit to immediately ramping
6 down all unnecessary operations and maintenance funding, and
7 systematically eliminate any new capital expense funding for
8 Colstrip.

9 Second, Avista should make clear the financial
10 implications to ratepayers of the bankrupt Rosebud Mine that
11 supplies Colstrip and the expected cost increase related to
12 that bankruptcy. Again, why should Avista customers have to
13 shoulder the additional costs associated with this
14 increasingly expensive coal asset that Washington is seeking
15 to eliminate entirely from its energy mix?

16 Third, my understanding is that part of the rate request
17 increase that they are putting forward is in order to be
18 reimbursed for a cost associated with replacing the
19 electricity that they had to buy when Colstrip went down
20 last summer due to Clean Air quality violations. However, I
21 would argue that ratepayers should not be responsible for
22 these costs, and I would encourage you and your staff to
23 look at the -- closely at the Idaho commission, which I
24 believe just recently has ruled on the rate case in Idaho
25 that these are extraordinary expenses that ratepayers should

Page 150

1 not have to pay.

2 And, finally, fourth, Avista, as Ms. Druffel mentioned,
3 received this considerable windfall, and I would encourage
4 you to decline expenses and encourage them to set aside this
5 money or shareholder money in order to do -- to plan for
6 these two things related to the shutting down of Colstrip.
7 First, they need to plan for a just transition of those
8 workers affected by the closure. They talked about this
9 when they were planning for the merger. And they need to
10 help pay for the massive cleanup of the toxic coal ash on
11 site.

12 So far, Avista has not committed any funds, to my
13 knowledge, to transition Colstrip workers, whereas Puget
14 Sound Energy has set aside \$10 million for the transition
15 costs, with half of that money coming from shareholders
16 rather than ratepayers. This seems like a really fair
17 arrangement. And maybe as a down payment, I would hope that
18 Avista would do the same thing.

19 Similarly, again, Puget Sound Energy has set aside up to
20 \$350 million for the cleanup of Colstrip. A proportionate
21 amount for Avista's ownership would put that about
22 \$100 million, about the same amount that they received in
23 the windfall, yet so far, again, I don't believe that Avista
24 has committed to setting aside any money for the cleanup of
25 Colstrip, which will surely become a Superfund site. And

1 what worries me is that that financial burden would be
2 placed on future ratepayers, so I would suggest that that
3 needs to be considered now, since ratepayers shouldn't be on
4 the hook to pay for these costs.

5 The growing climate crisis requires that we quickly move
6 away from fossil fuels, especially the most polluting and
7 carbon intensive forms such as coal. So, please, I
8 encourage you to continue to do your work of protecting
9 Avista customers from unfair rate increases that support
10 prolonging the life of an expensive and outdated
11 coal-burning plant, while failing to pay for future cleanup
12 costs. We owe better to the workers and the community in
13 Colstrip, Montana, who have sacrificed their clean air and
14 water to supply Washington's energy needs.

15 Avista's customers rely on your good judgment to protect
16 us from future balloon payments for remediation of defunct
17 energy production sites. Please also consider in your
18 judgment, the future generations of Washingtonians and their
19 need for and rights to a safe and stable climate in which to
20 prosper.

21 Thank you.

22 CHAIRMAN DANNER: All right. Thank you, Dr. Henning.
23 Mavis Barnes? Would you like to --

24 MS. BARNES: Yes. Yes.

25 CHAIRMAN DANNER: -- speak to us? You had a question mark

Page 152

1 by you. Okay.

2 MS. BARNES: Hi. My name is Mavis Barnes, and I am just a
3 resident, who I am opposed to the rate hike, rate increase
4 for that, just, I guess, especially since the 43 million
5 they say that Avista should pay back to ratepayers, I don't
6 understand how they can ask for more money when technically
7 we're already owed 43 million because of an unjust rate
8 increase in 2017.

9 I would just like to say that Avista is one of the
10 largest publicly traded companies for the Northwest in 2016
11 at \$2.5 billion, I guess. And that's kind of a lot of
12 money.

13 Yeah. I'm just opposed to it for so many reasons, and I'm
14 just curious how much land Avista is -- how much public land
15 a private company is going to be able to own -- is going to
16 be able -- how much land are they going to be able to own as
17 a private company and what their interest in operating the
18 dams is. Because I just saw Mr. Danner on TVW saying that
19 they actually have no rights to the hydroelectricity that
20 they -- that the dams produce. So what is their interest in
21 building all these dams? And if that's what they're
22 investing their money in, that's their choice, and we
23 shouldn't have to pay the burden of that for all the
24 improvements to their infrastructure and this, that, and
25 other thing. And there's been so many power outages since

1 this year has started, more than I can ever remember, so I'm
2 not sure how this infrastructure is more reliable, I
3 suppose.

4 So thank you for coming to Spokane and all that.

5 CHAIRMAN DANNER: All right. Thank you very much,
6 Ms. Barnes.

7 Stacy Cossey, you signed up but not wishing to testify?

8 MS. COSSEY: I've been sitting here. I will.

9 CHAIRMAN DANNER: Come on up.

10 MS. COSSEY: I am a member of Northwest Citizens Power
11 Coalition. I was one who worked to try to stop the merger
12 and to also encourage the idea, the concept, of a
13 cooperative instead of a shareholder-owned utility.

14 And listening at this dynamic, on one side you have the
15 shareholders and the staff of Avista, and on the other side
16 you have, you know, common people, you know, in boots and
17 jeans, saying, "You know what? We're having problems paying
18 our bills. You know what? You know, this wealth transfer
19 is -- we're at the end of this, and it's not working for
20 us." And so you look down the line. Maybe you look down
21 another two or three years, or five years, or ten years.
22 It's just going to get worse. They're going to want more
23 and more money, and we're not going to have that money to
24 pay our own utilities.

25 And so I am struck with just how interesting this is, as

Page 154

1 the system clearly is not working, and yet we're unable to
2 get out of the box that we're in. They want more rates. We
3 can't pay more rates. And so this box, in my view, just
4 really needs to be shaken up and turned around and be in a
5 situation where you have ratepayers owning your own utility,
6 so we don't have the shareholders who need more and more
7 money, and employees who are on that side, who need to
8 support that concept. And so I am just throwing out the
9 idea. A ratepayer cooperative would cut down a lot of the
10 expenses that are going out of our community, and these rate
11 cases may not be as necessary to be as high. It would be
12 just purely for the good of the people who the energy is
13 provided to.

14 So that's all I'd like to say.

15 CHAIRMAN DANNER: All right. Thank you very much. Thank
16 you.

17 Masooma Mohammadi. You signed up. It was not clear. Do
18 you wish to speak? Okay.

19 Pat McCormick, would you like to come up?

20 MR. MCCORMICK: Good evening. My name is Pat McCormick,
21 and I'm a citizen of Spokane and a ratepayer for Avista, and
22 I would echo some of the things that were said by
23 Dr. Henning and Pauline Druffel concerning Colstrip and the
24 need not to continue to support that.

25 But I'd like to raise another kind of issue here, an issue

1 of justice. And my concern is not primarily or exclusively
2 with the disproportionate burden that's going to be placed
3 on the ratepayer but on what I would consider to be the
4 institutional responsibility of a public corporation which
5 is meant to serve the common good, and that as a public
6 corporation there are some duties to the larger community
7 that go far beyond the duty to one's shareholders.

8 And I would say, in particular, any corporation that's
9 been involved in delivering energy in this country or,
10 indeed, on the planet for the last 50 years, has known and
11 had ample scientific evidence that we were approaching and
12 have moved into climate change, and that we have now moved
13 into climate crisis, and that there is a certain amount of
14 responsibility for people stewarding a corporation with a
15 public obligation to be aware of the contribution of the
16 consumption of nonrenewable or fossil fuels in the
17 production of disastrous environmental and health effects,
18 which have been clearly demonstrated by a wide range of
19 scientific and medical experts.

20 What concerns me is that -- so I'm going to take two
21 examples. Recently, PG&E in California has felt the need to
22 shut down operations and delivery of energy to people
23 because of the spread and the rise of wildfires in
24 California. But, certainly, this should have come as no
25 surprise to anyone who has been tracking wildfires in

Page 156

1 California for the last 40 years. It's reasonable to
2 anticipate that as they have been increasing, both in their
3 severity and in their frequency, that one would expect that
4 at some point they would create the kind of damage and
5 threat and danger that would make it necessary for this
6 company to shut down its delivery of energy, and so it's a
7 reasonable thing to say that that energy company had a moral
8 obligation to the larger community to begin to take steps
9 years or even decades ago to prepare for this eventuality.
10 And that represents, for me, a failure to plan, a failure to
11 examine, a failure to be prudent in the prediction of the
12 future.

13 More recently, we have heard about another energy company,
14 Exxon, who now we know without the shadow of a doubt was
15 guilty of a failure to disclose, and that is that they had
16 information about the direct correlation between the
17 consumption of fossil fuels and the destruction or the
18 climate crisis and all of the bad effects.

19 So what I would like to suggest is that it may not be
20 reasonable to make this expectation of every individual
21 citizen, but it is a reasonable expectation that if a
22 corporation is in the business of energy delivery, and if
23 they've been exposed to the scientific evidence that's
24 published about this for the last four decades, then it's
25 reasonable to anticipate that they would make every

1 prudential step possible to reduce the use of fossil fuels
2 and to move as swiftly as possible to renewable energy.
3 Which makes the continued reliance upon or support of
4 Colstrip not only questionable in that it puts it in tension
5 with the recent change in Washington law and the
6 disproportionate burden that it places upon the Washington
7 state energy consumer, but there is a kind of moral
8 blindness here that constitutes a failure of a basic
9 responsibility to deliver one's goods.

10 And so I would like to suggest that any rate increase that
11 might be approved for this should only be dedicated to the
12 shift to renewables, to shutting down Colstrip, and to
13 retraining the employees in that region to move into other
14 sectors or other job areas.

15 The last thing I'd like to say is this. Prudence, the
16 thing that we are asking for, or moral responsibility from
17 these corporations, means that they are able to envision the
18 future. I believe that it's reasonable to say that in
19 nearly -- that everyone in this room and nearly everyone in
20 this state knows that the condition of the state of
21 Washington and Montana and Northern Idaho are going to be
22 severely and negatively impacted by climate change now and
23 in the coming decades. And, therefore, we have a moral
24 obligation that extends beyond these corporations as
25 citizens to ask you and to ask the State to take whatever

Page 158

1 steps are necessary to address this moral blindness in the
2 corporation and to hold them to an accountability that they
3 have themselves not heretofore demonstrated.

4 Thank you.

5 CHAIRMAN DANNER: All right. Thank you very much,
6 Mr. McCormick.

7 Elizabeth Williams.

8 MS. WILLIAMS: Thank you.

9 I am speaking to Docket No. UE-190334 and UG-190335.

10 Along with Pauline Druffel and Dr. Brian Henning and Pat
11 McCormick, I want to thank you for coming to Spokane and
12 giving us a chance to share our concerns about Avista's
13 proposed rate increases. I am Elizabeth Williams, an Avista
14 Utilities customer and an active member of 350 Spokane.

15 We were thrilled about the passage of the 100 percent
16 renewable electricity measure phasing out coal from our grid
17 by 2025. And Avista ratepayers should not have to pay for
18 Avista propping up the existence of the Colstrip plant which
19 is to be phased out by 2025, anyway. It seems crazy to put
20 millions of dollars into infrastructure, when in about five
21 years the plant is supposed to be shut down.

22 Now, should Avista ratepayers be expected to help pay for
23 the additional costs related to the bankruptcy of the
24 Rosebud Mine that supplies Colstrip?

25 Avista shareholders need to make a commitment to set aside

1 4 to 10 million dollars to help the Colstrip workers and
2 community to transition after the closure of the plant to
3 new clean energy jobs.

4 Avista should be setting aside \$100 million, which is
5 proportional to the 350 million Puget Sound Energy has set
6 aside, to assist with the cleanup of the toxic Colstrip coal
7 ash ponds. Avista already received a \$103 million windfall
8 from the failed merger with Hydro One, so the money is right
9 there as far as I can see.

10 Finally, I am concerned with those in our community who
11 are disproportionately affected by large rate increases such
12 as those proposed by Avista Utilities. For some, it may
13 mean they would have to choose between keeping their place
14 warm or eating a hot meal. I personally know of some people
15 who have only been able to find part-time work, are living
16 paycheck to paycheck, and are having to make similar hard
17 choices.

18 In summary, I would ask you to hold Avista Utilities
19 accountable as to a fair percentage rate increase, as well
20 as how that money is to be spent.

21 Again, I thank you for this chance to speak on behalf of
22 all the people in Washington state who want their utility
23 payments to go towards clean energy rather than dirty
24 coal-fired plants, and who don't want future generations to
25 have to pay for the dirty cleanup of coal plants which have

Page 160

1 operated on our watch.

2 Thank you.

3 CHAIRMAN DANNER: All right. Thank you very much,
4 Ms. Williams.

5 Ms. Roberts, are there any additional people signed in?

6 That is everyone who was signed in to speak to us tonight.
7 Is there anyone in the room who has not signed in who wishes
8 to speak to us?

9 Okay. That brings us to the end of our meeting tonight.
10 So, again, I want to thank everybody for coming out tonight
11 and sharing their thoughts with us. We are going to take
12 this case under advisement, as we always do, and what we've
13 heard tonight will be part of the report in that case and
14 will be part of our consideration going forward.

15 So, again, I think it's important that customers of the
16 utility and interested citizens are participating in our
17 processes, and I appreciate all the input that we have
18 received tonight.

19 I turn to my colleagues. Unless there's anything they
20 wish to say tonight, then we will be adjourned.

21 So thank you again.

22 (Adjourned at 6:46 p.m.)

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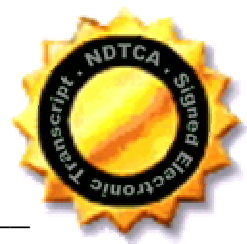
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STATE OF WASHINGTON)
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COUNTY OF KING)

I, the undersigned, do hereby certify under penalty of perjury that the foregoing court proceedings, recorded statements, hearings and/or interviews were transcribed under my direction as a certified transcriptionist; and that the transcript is true and accurate to the best of my knowledge and ability, including any changes made by the trial judge reviewing the transcript; that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially interested in its outcome.

IN WITNESS WHEREOF, I have hereunto set my hand this 11th day of November, 2019.

Shanna Barr



Shanna Barr, CET

