

1 BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
2 COMMISSION

3	WASHINGTON UTILITIES AND)	
	TRANSPORTATION COMMISSION,)	DOCKET NO. UE-991606
4)	DOCKET NO. UG-991607
)	VOLUME VIII
5	Complainant,)	Pages 1054 - 1085
)	
6	vs.)	
)	
7	AVISTA CORPORATION,)	
)	
8	Respondent.)	
	_____)	

9
10 A hearing in the above matter was
11 held on April 20, 2000, at 7:10 p.m., at Spokane
12 Falls Community College, 3410 W. Fort George Wright,
13 Spokane, Washington, before Administrative Law Judge
14 MAJORIE R. SCHAER, Commissioners RICHARD HEMSTAD,
15 WILLIAM R. GILLIS, and Chairwoman MARILYN SHOWALTER.

16
17 The parties were present as follows:
18 AVISTA CORPORATION, by DAVID MEYER,
General Counsel, Avista Corporation, E. 1411 Mission
19 Avenue, Spokane, Washington 99220-3727.

20 FOR THE PUBLIC, by SIMON J. FFITCH,
Assistant Attorney General, 900 4th Avenue, Suite
21 2000, TB-14, Seattle, Washington 98164-1012.

22 WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION STAFF, by GREGORY J. TRAUTMAN, Assistant
23 Attorney General, 1400 South Evergreen Park Drive
Southwest, Olympia, Washington 98504-0128.

24 RAY GROTH, CSR
25 Certified Shorthand Reporter

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I N D E X

2

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1 MS. SHOWALTER: Good evening,
2 this is a hearing of the Washington Utilities and
3 Transportation Commission on the Avista rate
4 proceeding in both electric and gas areas. I'm
5 Marilyn Showalter, I'm the Chair of the Commission,
6 and to my right are Commissioners Dick Hemstad and
7 Bill Gillis, together we make up the Commission.

8 This hearing is more formal than a
9 City Counsel type hearing, it's a quasi judicial
10 proceeding, and for that reason, I'm going to turn
11 this over to our Administrative Law Judge,
12 Marjorie Schaer, who is on my left, and she will
13 explain the way that the evening will proceed, and how
14 anyone who wants to testify can do so. But, welcome,
15 and we're glad that you're here.

16 MS. SCHAER: Let me add my welcome,
17 ladies and gentlemen, this is a Public Comment
18 Hearing, it is part of the Commission's formal hearing
19 process as it considers the Avista Company's request
20 for rate increases in its electric and gas utilities.
21 The Commission is a State Administrative Agency, and
22 we're responsible to regulate various public
23 utilities, including electricity and natural gas
24 companies. When one of these companies proposes a
25 general rate increase, the Commission examines that

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1 request to determine whether the company's earnings
2 are adequate, and if not, then a Commission will
3 determine new rates that will give the company the
4 opportunity to earn revenues that are fair, just,
5 reasonable, and sufficient.

6 The purpose of the hearing this evening
7 is to provide the Commissioners with information which
8 they can use to make a decision about whether Avista
9 rates need to change, and if yes, how much they should
10 be increased or decreased. The Commission has already
11 heard a week of hearings regarding presentation of the
12 company's direct case, and we will complete our
13 evidentiary hearings on July 14th after another week
14 of hearings regarding the cases of Commission staff,
15 Public Counsel, and Interveners, and any rebuttal case
16 presented by the company. By the time this process is
17 concluded the Commissioners will have heard testimony
18 and received documents that provide a significant body
19 of evidence, upon which they will base their decision.

20 In addition, the Commission is conducting
21 a session this evening to allow for participation by
22 members of the public. The comments this evening will
23 be given under oath and recorded just as the testimony
24 during the evidentiary proceedings this morning was
25 recorded, and your comments will, thus, become part of

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1 formal record that will be the basis for the
2 Commission decision.

3 After July 14th, the Commission will
4 spend a period of time studying the record,
5 considering and deciding the issues, and preparing a
6 written Order to announce it's decision, and explain
7 the reasons for its decision.

8 If you would like to be on a list of
9 people who get information when that Order comes out,
10 please give your name and address to the Commission
11 staff members at the back of the room who have the
12 sign-up sheets, also, for testifying, and you will
13 receive information when that Order comes out.

14 I'm going to ask counsel who are here to
15 appear, make their formal appearance at this time,
16 which means that they state on the record who they
17 are, and then I'm going to also ask the counsel for
18 the Commission staff and for Avista to introduce some
19 of the people that are here with them, particularly
20 the experts on consumer complaints who are here with
21 them, so that if you are here with a consumer
22 complaint and need some help this evening, you will
23 know the person that you can talk to while you're in
24 the room that perhaps will be able to get the help
25 that you need, or get directed to the help that you

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1 need.

2 So let's start with counsel from the
3 company, please, Mr. Meyer.

4 MR. MEYER: Thank you, your Honor,
5 my name is David Meyer, and I'm corporate counsel, and
6 as Ms. Schaer indicated, we have two people I'd like
7 to introduce in particular, Edward Turner, please
8 stand. Edward runs the Energy Delivery or the utility
9 line of business. Also, Vicky Weber. Vicky is
10 the Director of Customer Services. And also
11 Mr. Tom Matthews, our Chairman.

12 MS. SCHAER: I was hoping you
13 wouldn't forget him.

14 MR. MEYER: And that's in no order
15 of importance, by the way. So, thank you.

16 MS. SCHAER: All right. And
17 then, let's have appearance for Commission Staff,
18 please, Mr. Trautman.

19 MR. TRAUTMAN: Thank you, your
20 Honor. Greg Trautman, Assistant Attorney General, I'm
21 representing Commission Staff, and also with us is
22 Diana Otto, from the Consumer Affairs Division, and
23 Mike Parvenin, of Commission Staff.

24 MS. SCHAER: Thank you. Mr. ffitch.

25 MR. FFITCH: Your Honor,

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1 Simon ffitch, Assistant Attorney General with the
2 Public Counsel Office, representing the customers in
3 this proceeding.

4 MS. SCHAER: Okay. Experience in
5 conducting these types of hearings has taught us that
6 each speaker should be limited to five minutes so that
7 we have time to get to everyone. Those of you who
8 have spoken in public before, know that you can really
9 say quite a lot in five minutes, and if some speakers
10 are running over the allotted time, please excuse me
11 if I interrupt you and ask you to sum up at that
12 point.

13 It's not necessary for you to repeat what
14 another speaker already has said, if you agree with
15 their comments, you can stand up and say so, and that
16 will have as much meaning to the Commission as if you
17 were to repeat those comments. And if you have any
18 written materials this evening, we would like you to
19 provide a copy of those to Mr. ffitch, who will keep
20 all of the letters and comments that come in about
21 this proceeding, and prepare an exhibit of those
22 comments that will be admitted later in the
23 proceeding.

24 So, I'm going to ask Mr. ffitch to
25 briefly outline where we are in this proceeding, and

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1 then I'm going to swear in any witnesses who wish to
2 testify, and then we'll begin calling you off a list
3 on which you signed up at the back of the room. So go
4 ahead, please, Mr. ffitch.

5 MR. FFITCH: Thank you, your Honor.
6 Again, my name is Simon ffitch, I'm an attorney with
7 the Attorney General's Office of Public Counsel, and
8 our job is to represent customers of Washington
9 utility companies in regulatory cases in front of the
10 WUTC. For example, we appear to represent customers
11 in rate cases of this type. And we are formally
12 participating in this case, we are conducting our own
13 review of the request for a rate increase in this
14 proceeding, and with the assistance of expert
15 consultants, are going through the materials provided
16 by the company in support of its request.

17 A number of parties are participating
18 along with us in this case, Spokane Neighborhood
19 Action Program, the Northwest Energy Coalition,
20 industrial customers, and all these parties will be
21 filing their written testimony, their formal written
22 position on the rate case on May 5th. Obviously, May
23 5th isn't here yet, so those reviews are still
24 ongoing, and we don't have those formal statements of
25 analysis in the record yet. If you would like to get

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1 a copy of those, you're certainly able to get that
2 from the Commission by request, and you can contact
3 our office if you would like to get a copy of Public
4 Counsel's testimony in the case.

5 There are a couple of handouts which I
6 encourage you to pick up. There is a letter on
7 Attorney General letterhead which does provide you
8 with information about the case, and tells you how to
9 get ahold of the Commission at our office, if you'd
10 like to make comment on the case. In addition, there
11 is a summary of the electric and gas rate increase
12 information, which is prepared by Avista, that's
13 something that's on file with the Commission, and
14 copies have been made, and there are extra copies in
15 the back, it provides a good overview, basic facts
16 about the rate increase -- request -- excuse me.

17 Just very quickly, procedurally, there
18 are two rounds of evidence hearings, and the next
19 round -- first round -- has occurred already, the next
20 round is in July, where witnesses are cross-examined
21 and evidence is provided to the commission. Those are
22 public hearings, also, in Olympia. Following that
23 briefs are filed with the Commission, and the
24 Commission will make a decision in this case sometime
25 this fall.

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1 If you're not able to -- or not
2 interested in speaking tonight, you can still provide
3 your opinion by letter, in writing. You can send it
4 in after tonight's hearing, if you have friends or
5 neighbors who have opinions, they can send those in to
6 the Commission or to the Public Counsel Office during
7 the next couple of months as the proceeding goes
8 forward, although, I would strongly encourage people
9 to do that earlier rather than later.

10 Let me get to the specifics of the case
11 that's before the Commission right now, and just
12 referring to the summary sheets from the company, I'll
13 walk you through those quickly to give you the basic
14 picture of the request from Avista.

15 There are two different requests, one for
16 electric service, and one for gas service. I'll start
17 off with the electric side. For electric service, the
18 last increase for Avista occurred in July of 1990, an
19 increase of 3.8 million dollars. The amount of the
20 request in this case for electric service is 26
21 million dollars. That for residential customers
22 represents a 14 percent increase, and for small
23 commercial customers represents a 7 percent increase.
24 The overall average for all customers, in the
25 aggregate, is 10.4 percent, slightly over half of the

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1 26 million dollars comes from the increase in
2 residential rates, a little over 14 million dollars.

3 The impact for an individual customer of
4 the request for a customer using an average amount of
5 electricity, and heating with electricity, is ten
6 dollars a month. The impact for the average customer
7 who doesn't heat with electricity is a little over six
8 dollars and sixty cents a month. So that's a summary
9 of the gas increase request -- excuse me --
10 electric -- thank you. I'm moving to gas now.

11 On the gas side, the last increase was --
12 the generate rate case increase was in January of
13 1998, a 5 million dollar increase. The amount of this
14 increase request is 4.8 million. For residential and
15 small commercial customers that represents a seven and
16 a half percent increase. Overall, for all customers
17 combined, it's a six and a half percent increase. The
18 impact for the average user of gas is about two
19 dollars and seventy-five cents on the monthly bill.
20 So that provides a general overview, as I say, because
21 parties have not yet completed their review of the
22 requests, and have not yet filed their testimony, I'm
23 not able at this time to give you a summary of the
24 positions of different parties to the case, and so
25 that will be forthcoming as that testimony gets filed.

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1 The other thing that I will be doing this
2 evening as part of the procedure is inviting witnesses
3 to come forward, as the Judge has indicated, assisting
4 you, asking you some introductory questions so that
5 you can present your opinions to the Commission
6 regarding the case.

7 Your Honor, I have received the sign-up
8 sheets, and I don't know if we have any additional in
9 the back, we have a number of folks who have signed up
10 as present, we have two, I believe, who have indicated
11 a desire to address the Commission this evening, and a
12 third person who is undecided.

13 MS. SCHAER: All right. Thank you,
14 Mr. ffitch

15 MR. FFITCH: And so I've completed
16 my opening, your Honor.

17 MS. SCHAER: Thank you. Will anyone
18 in the room who wishes to testify this evening please
19 raise your right hand. Do you solemnly swear or
20 affirm that the testimony you're about to give in this
21 proceeding will be the truth, the whole truth, and
22 nothing but the truth? If so, answer "I do."

23 THE AUDIENCE: I do.

24 MS SCHAER: Thank you. Your
25 witnesses are sworn, Mr. ffitch. I ask you, when you

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1 come to testify, if you'd please come up to the podium
2 and speak into the microphone, if there's anyone who
3 cannot reach that comfortably for any access reasons,
4 then please come up to the end of the table where
5 Mr. ffitich and Mr. Trautman are seated and we'll
6 provide a microphone there. Go ahead, Mr. ffitich.

7 MR. FFITCH: Thank you, your Honor.
8 I'll call people in the order that they were signed
9 up, and the first person on this sheet is
10 Richard Olberding.

11

12 EXAMINATION - RICHARD OLBERDING

13

14 BY MR. FFITCH:

15 Q. Good evening Mr. Olberding.

16 A. Good evening.

17 Q. If you could state your full name, and
18 then spell your last name for the court reporter,
19 please.

20 A. It's Richard, the spelling of the last
21 name, O-l-b-e-r-d-i-n-g.

22 Q. And where do you live Mr. Olberding?

23 A. North 2617 Nappa, Spokane, Washington.

24 Q. And are you an Avista customer?

25 A. Yes. I am.

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1 Q. Are you a customer for gas, or electric
2 service, or both?

3 A. Both.

4 Q. Both services. And are you a residential
5 customer, or a commercial customer?

6 A. Residential only.

7 Q. And are you testifying on your own behalf
8 this evening, or on behalf of an organization, or
9 other entity?

10 A. On my own behalf.

11 Q. Do you have a statement that you'd like
12 to give this evening on the case?

13 A. Yes. I do. When I received my Avista
14 bill in November, I also received in this bill an
15 important notice for Washington electrical customers
16 and gas customers. I read this notice in it's
17 entirety several times, and became curious as to
18 percentage increases that are quoted in this
19 information. The overall increase of 10 percent,
20 which then is referred to later as an average increase
21 in residential rates of 14 percent, which I think you
22 just stated a few minutes ago, also. I continued
23 trying to decipher this information with the kilowatt
24 hours, and the basic rate charges, and how they would
25 apply to my bill and to others who are considered

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1 typical nonelectrical heat customers.

2 The first thing I did is I looked at the
3 basic rate increase from three dollars, the present
4 rate, to five dollars, the proposed rate. This
5 represents a sixty-six and six-tenths percent increase
6 in basic rates. Now, keep in mind these are monthly
7 charges that everyone pays, regardless of what or how
8 much power we use, or gas we use. I notice that the
9 residential schedule, one, customers were to pay 14
10 percent on the average. The second paragraph in this
11 notice stated that a typical nonelectric heat
12 customer, one not using gas, oil, et cetera, using an
13 average of 820 kilowatt hours per month, would see an
14 average monthly increase of six dollars and sixty-six
15 cents. I did some calculating and determined that
16 this six dollars and sixty-six cents does not figure
17 out to 14 percent. This figures out to 18.18 percent,
18 and the reason it does, is because the 14 percent
19 represents only the kilowatt hour costs, the proposed
20 increase cost. The basic charge of two dollars then
21 ups this 14 percent to 18.18 percent. For the six
22 dollars and sixty-six cents for quick figuring, the
23 average -- or the actual cost kilowatt hour increase
24 would be four dollars and sixty-six cents. One has to
25 add the two-dollar basic charge to that to arrive at

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1 the six dollars and sixty-six cents figure.

2 I then further went through this and
3 calculated other quoted percentages, and determined
4 that the 1,500 kilowatt hour per month user, a typical
5 electric user, would pay, as you indicated, ten
6 dollars and thirty-eight cents, which figures out to
7 14.598 percent. I then called Avista and spoke with a
8 gentleman in the Rates Department, and asked him why
9 we would be quoted dollar figures, and not percentage
10 figures, for those people that are using 820 kilowatt
11 hours, and I asked him if my figures were correct. He
12 agreed that my figures were correct.

13 I then asked him what the average
14 electrical residential -- electrical customer for
15 Avista Corporation uses a month, and he stated this
16 would be, I believe, a thousand and thirty-four
17 kilowatt hours monthly. He stated they have
18 approximately two hundred thousand customers for
19 electrical consumption, and a hundred thousand natural
20 gas customers. If you take the basic charges that are
21 proposed and calculate those out, for electricity it
22 would amount to \$400,000 monthly, or \$4,800,000
23 annually. This is for the electrical. If you
24 calculate the increase in basic charges for gas --
25 natural gas -- this would amount to a hundred thousand

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1 dollars monthly, or one million two hundred thousand
2 dollars annually.

3 As I indicated before, by arriving at the
4 14 percent average increase, they did not use the
5 basic charge to arrive at that 14 percent. Actually,
6 it's 18.18 percent. The other calculations I made
7 were for the average customer, a thousand thirty-four
8 kilowatt hours, this would amount to 18.07 percent.
9 Then the 1,500 kilowatt hours is a typical electrical
10 heat user, amounts to 14.598 percent. Now, this is
11 close to what the average that they're talking about.

12 And then to continue on from there, to
13 two thousand kilowatt hours per month, it drops to
14 8.19 percent, and for a customer using three thousand
15 kilowatt hours per month, it would drop to 5.486
16 percent. So you can see where the impact is going to
17 be, a residential customer who uses 820 kilowatts, at
18 the bottom of the spectrum, the average customer using
19 a thousand thirty-four kilowatt hours, they are going
20 to be realizing the greatest increases, and these are
21 all 18 percent, not 14 percent as this indicates.
22 Coupled with that, the seven and a half percent
23 increase for natural gas users actually figures out to
24 7.98 percent, if you figure in the basic rate increase
25 of a dollar a month. Then the Avista Utilities filed,

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1 in November of 1999, a request with the Washington
2 Utilities and Transportation Commission, an additional
3 request for an increase of approximately 13 percent
4 for purchase gas cost adjustment.

5 The Commission, on December 29th, granted
6 a 17.09 percent, not the 13 percent requested, but a
7 higher rate, and I think the rationale for this was
8 that they were expecting a greater increase in the gas
9 costs. If you take the increases as proposed to the
10 Commission, if they were to be granted, I, myself, and
11 every other typical customer of Avista would be
12 realizing a 43 percent increase for natural gas and
13 electrical consumption. I think this is much larger
14 than what the average or typical customer should
15 experience, and should be the burden they should carry
16 in this proposed rate increase.

17 MS. SCHAER: May I ask you to
18 summarize your comments now, please, sir.

19 MR. OLBERDING: All right. In
20 conclusion, each month when I received my bill,
21 there's a little note in there from Avista that asks
22 for a contribution of project share, this is for low
23 income people, those who are unable to pay their
24 bills, and I think some of the representatives here
25 now, (inaudible), et cetera, would be addressing that.

01072

1 They asked for anywhere's from two dollars, five
2 dollars, ten dollars, and the little statement in
3 there says, "A little each month goes a long way."
4 And also, in conclusion, according to
5 reports, Spokane has the highest per capita of low
6 income residents in the state of Washington. These
7 low income residents are the ones that are really
8 going to feel what these increases would be if they
9 are granted by this Commission. Thank you for your
10 time, I'm happy to be the first one home, I guess I
11 can leave.

12 MR. FFITCH: Thank you,
13 Mr. Olberding.

14 MS. SCHAER: Are there any
15 questions?

16 MR. FFITCH: If you could wait there
17 one moment, Mr. Olberding, to see if there are
18 questions.

19 THE COMMISSION: No.

20 MS. SCHAER: I just had one
21 question, sir. It looks to me like you're reading
22 from some prepared comments.

23 MR. OLBERDING: Yes. I am. I
24 submitted them to the Commission on December the 16th,
25 1999.

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1 MS. SCHAER: Thank you, sir, I just
2 wanted to make sure we had them in writing as well.
3 Thank you for your testimony.

4 MR. OLBERDING: Thank you.

5 MR. FFITCH: David Campbell.

6

7

EXAMINATION - DAVID CAMPBELL

8

9 BY MR. FFITCH:

10 Q. Good evening, Mr. Campbell, would you
11 state your name and spell your last name for the
12 record, please.

13 A. I'm David Campbell, C-a-m-p-b-e-l-l.

14 Q. Thank you. And where do you live,
15 Mr. Campbell?

16 A. I live on North 2612 Adams, right near
17 here.

18 Q. And are you an Avista customer?

19 A. Yes.

20 Q. Is it a residential customer?

21 A. Yes.

22 Q. And do you have any business service with
23 them?

24 A. No.

25 Q. Are you a gas customer, or electric

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1 customer, or both?

2 A. It's merely electric customer -- only
3 electric customer.

4 Q. And are you testifying on your own behalf
5 this evening?

6 A. Well, I'm part of VOICES, I just came
7 from our meeting, so I'm part of a low income group.

8 Q. Could you describe what VOICES is.

9 A. VOICES is a anti-poverty group that is in
10 Spokane.

11 Q. Okay. Do you have a statement you'd like
12 to make on the rate request this evening?

13 A. Yes.

14 Q. Please go ahead.

15 A. I'm glad on here that you're able to give
16 small commercial less of a hike like 7 percent. 14
17 percent hikes on electric bills, or hikes on gas bills
18 are hard, particularly on the low income. This will
19 mean more people will be choosing between paying the
20 electric bill, or buying medicine, or eating, or
21 school supplies for their kids. I realize that part
22 of the reason why residential electricity is more
23 expensive to deliver is, 'cause we scatter housing all
24 over the landscape. It is possible with growth
25 management, and with increasing gas prices, that

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1 eventually we might have some clustered housing higher
2 density, and possibly even some people in condominiums
3 where you'd have individual electric meters, but you
4 would not necessarily have to have water strung all
5 over the place, so possibly growth management
6 increasing gas prices might eventually lower the cost
7 of the power company to serve some housing. Well,
8 basically, 14 percent rate hikes, it will be very hard
9 for many of us poor to pay.

10 Q. Thank you, Mr. Campbell. Do you have --
11 I don't have any further questions, perhaps, you do,
12 your Honor.

13 MS. SCHAER: I have no questions for
14 Mr. Campbell. Thank you for your testimony.

15 MR. FFITCH: Thank you for your
16 statement. In addition, I have a Barbara Mayhan
17 indicated that she maybe would like to speak. Would
18 you like to testify?

19 MS. MAYHAN: Yes.

20 MR. FFITCH: Please come on up.

21

22 EXAMINATION - BARBARA MAYHAN

23

24 BY MR. FFITCH:

25 Q. Good evening.

01076

1 A. Good evening.
2 Q. And would you please state your name, and
3 then spell your last name for the court reporter.
4 A. My name is Barbara Mayhan, M-a-y-h-a-n.
5 Q. And where do you live, Ms. Mayhan?
6 A. 1212 North South Riverton, right across
7 from Avista.
8 Q. And that's in Spokane?
9 A. Right. It's just right there across from
10 Avista on Mission.
11 Q. Okay. And are you a residential, or --
12 A. Residential user.
13 Q. Of gas, electricity, or both?
14 A. Both.
15 Q. And are you testifying on your own behalf
16 this evening?
17 A. Yes. I am.
18 Q. I notice on your sign-up sheet you've
19 indicated the Spokane Neighborhood Action Program --
20 A. Well, I'm a member of this VOICES, low
21 income advocacy group, but I'm also speaking for
22 myself.
23 Q. And do you have a statement that you'd
24 like to make this evening?
25 A. Well, just a couple of little notes here.

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1 I'm a single mother with three teenagers, I have
2 lupus, and, fortunately, I receive (inaudible) about
3 \$518 a month, and I do have the electric heat. It's a
4 hardship. A rate increase would constitute a hardship
5 for people on a fixed income, and, basically, people
6 in our area cannot afford a rate increase, because
7 we're the poorest area of Washington.

8 Q. All right. Do you know, have you an idea
9 of what the change in your bill would be under this
10 request?

11 A. No, sir.

12 Q. Do you have any written statements that
13 you'd like to submit?

14 A. Just some hand scratches.

15 Q. Okay.

16 A. Do you want these?

17 Q. No. That's fine. I just wanted to make
18 sure, unless you had a written letter, or something, I
19 wanted to make sure you had a chance to turn it in,
20 but it's okay, if you want to keep your own notes,
21 that's fine.

22 A. You can have them, if you want them.

23 MR. FFITCH: If you want to submit
24 them, that's fine. Okay, thank you. I don't have any
25 further questions, your Honor.

01078

1 MS. SCHAER: Are there any questions
2 for Ms. Mayhan?

3 THE COMMISSION: No.

4 MS. SCHAER: Thank you for your
5 testimony.

6 MR. FFITCH: And, Mr. Yuse, Frank
7 Yuse.

8

9

EXAMINATION - FRANK YUSE

10

11 BY MR. FFITCH:

12 Q. Good evening. Could you state your name
13 and spell your last name for the record.

14 A. Frank Yuse, Y-u-s-e.

15 Q. And where do you live, Mr. Yuse?

16 A. In Spokane, the City of Spokane.

17 Q. I know I've asked these questions before,
18 but we're now into a different case, so we're going to
19 make the record in this case also. And are you an
20 Avista customer?

21 A. Yes. I am.

22 Q. And do you take residential service,
23 commercial service, or both?

24 A. Residential.

25 Q. And are you a gas or electric customer?

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1 A. Both.

2 Q. Both. And do you have a statement that
3 you'd like to -- excuse me -- are you speaking on
4 behalf of an organization?

5 A. Once again, I'm the President of the
6 Senior Legislative Coalition of Eastern Washington,
7 and our group, which draws from about fifteen
8 different organizations, meets once a month, and we
9 try to advocate for seniors in our eastern part of the
10 state. We've been following the utilities increases
11 both at the producers and also at the taxing end of
12 the City and County for quite a long time, and we are
13 very disturbed by the high cost of electricity and gas
14 for our -- especially our seniors. I think the
15 increase, myself, and so does my organization, that
16 it's too high and not justified.

17 So we ask that this commission make a
18 compromise as it has in the past, 14 percent, you get
19 7 or 8, and that the gas, also, at seven and a half
20 percent, is quite a jump for us, and it's only been
21 two years since we had an increase before, and we
22 realize that the Washington Water Power at the time
23 had decreased the rate, and then because of the supply
24 and demand, and then increased the rate afterwards.

25 We realize the fluctuation of the

01080

1 market, but we think that 14 for electricity, and
2 seven and a half percent rate increase is too high,
3 especially for our community which is very, very
4 limited in income, 14,000 as an average income here in
5 Eastern Washington.

6 I'd also ask you to consider this part,
7 that Spokane electricity being produced at the waste
8 to energy plant is being sent over, as you know, to
9 Puget Power & Light, and it was -- the contract was
10 set up so that, actually, it was at a loss to the
11 production of electricity from our waste and our
12 garbage. In fact, I think if you go back, you'll find
13 out that the rate was three-quarters of a cent of
14 kilowatt hour, at first, then it was to be increased.
15 Well, I heard, not too long ago, that Puget Sound and
16 Puget Power & Light is at the end of its contract.
17 You might look into that, and they are thinking of
18 pulling out. I'd ask, once again, that Avista or
19 Washington Water Power consider buying this
20 electricity here at home. I was never in favor of the
21 waste to energy plant, I thought it was not going to
22 pay itself, and we're going to be having a little
23 problem here. So consider that as one of the addendum
24 onto the contract.

25 Further, I hope that this Commission

01081

1 attached to any approval for a rate increase of
2 electricity and gas for those who are identified as
3 within the poverty level. Avista may object to this
4 added procedure, an expense, but my answer is this,
5 that the information is on record at the County
6 Assessor's Office, who have filed for property tax
7 reduction, why not just plot it into your computers
8 and use it. I believe that people in the poverty
9 level have to have some sort of relief, especially, if
10 you're going to increase it for the others. Thank
11 you.

12 MR. FFITCH: Thank you, Mr. Yuse.

13 MS. SCHAER: Are there any questions
14 for Mr. Yuse?

15 THE COMMISSION: No.

16 MS. SCHAER: Thank you for your
17 testimony, sir.

18 MR. FFITCH: Your Honor, that
19 completes the list of witnesses that have signed up, I
20 believe, I don't think I've missed anyone.

21 MS. SCHAER: Is there anyone else in
22 the hearing room that would like to testify this
23 evening?

24 MR. RISON: I believe I will.

25 MS. SCHAER: All right, sir, please

01082

1 come forward. Excuse me, sir, did you raise your
2 right hand when I swore in witnesses previously?

3 MR. RISON: No, ma'am.

4 MS. SCHAER: Okay. Let me swear you
5 in now, please. Do you solemnly swear or affirm that
6 the testimony you are about to give in this proceeding
7 will be the truth, the whole truth, and nothing but
8 the truth?

9 MR. RISON: Yes, ma'am.

10 MS. SCHAER: Thank you. Go ahead,
11 Mr. ffitch.

12

13 EXAMINATION - LEONARD RISON

14

15 BY MR. FFITCH:

16 Q. Good evening. And could you state your
17 name, and spell your last name for the record.

18 A. My name is Leonard Rison, last name is
19 spelled R-i-s-o-n.

20 Q. And where do you live Mr. Rison?

21 A. City of Spokane.

22 Q. And are you a customer of Avista?

23 A. Yes. Gas and water -- or gas and
24 electric, both.

25 Q. Gas and electric. And are you a

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1 residential customer only?

2 A. Yes, sir.

3 Q. And are you speaking on your own behalf
4 this evening, or on behalf of an organization?

5 A. I would say I'm speaking on behalf of the
6 United Steelworkers of America.

7 Q. All right. And do you have a statement
8 you'd like to make on the record.

9 A. This is off the top of my head. I have
10 heard some rumors that Avista Corporation is in the
11 process of building a natural gas and power plant in
12 Rathdrum, and have also heard rumors that Kaiser
13 Aluminum has made contracts with Avista to buy this
14 power, and I would like to encourage the Commission,
15 if they could, to incorporate a good corporate citizen
16 clause in their contracts similar to what the EPA is
17 doing.

18 Q. Could you describe that, what you mean, a
19 bit more detail by that.

20 A. Meaning they would be -- I don't have the
21 actual wording of it, I could get that for you. It
22 would be being just a good corporate citizen with, you
23 know, take care of the environmental employment
24 issues, things like that.

25 Q. Okay. Anything further?

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1 A. That's about all I can think of. Like I
2 say, I'm not a public speaker.

3 Q. Do you have any comments on the rate
4 case?

5 A. Well, I guess my concern on the rate case
6 is that Avista would take into concern the price of
7 the increase of gas and electricity to the consumer,
8 and make that increase fitting for big business also.
9 You know, similar.

10 MR. FFITCH: Okay. Thank you. I
11 don't have further questions, your Honor.

12 MS. SCHAER: Are there any questions
13 for this witness?

14 THE COMMISSION: No.

15 MS. SCHAER: Thank you for your
16 testimony.

17 MR. FFITCH: And, your Honor, now I
18 believe that completes the public testimony, unless
19 there's anyone further.

20 MS. SCHAER: Let me check once
21 again. Is there anyone else in the hearing room that
22 would like to address the Commission with something.
23 Apparently, there is not, so I would like to thank
24 everyone who is here for your participation, and
25 encourage you who are interested to hear of anything

01085

1 further concerning this proceeding to sign in with the
2 Commission staff members in the back of the room so
3 that you're included on the mailing list for that
4 information. And is there anything further to come
5 before the Commission. Hearing nothing, we stand
6 adjourned.

7

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(7:55 p.m.)

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