

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET UE-151148

TESTIMONY OF

KEVIN J. CHRISTIE (AVISTA)

IN SUPPORT OF

THE MULTIPARTY SETTLEMENT STIPULATION

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I. INTRODUCTION

Q. Please state your name, title, and the party you represent in this matter.

A. My name is Kevin J. Christie, and I am Vice-President of Customer Solutions, representing Avista (or “Company”).

Q. Are you sponsoring Testimony in support of the Multiparty Settlement Stipulation filed with the Washington Utilities and Transportation Commission (Commission) on October 29, 2015?

A. Yes. My testimony recommends approval of the Multiparty Settlement Stipulation (Settlement) by the Commission¹. The Settlement represents a compromise among differing points of view. Its approval is in the public interest. The Settlement has been marked as Exhibit____(KJC-2).

Q. What is the scope of your testimony?

A. My Testimony supports the Settlement that resolved all the issues identified in Commission Order No. 01², Public Counsel’s comments dated July 27, 2015, and responds to the specific questions raised in Bench Request No. 1 dated January 8, 2016. Staff and Public Counsel will be providing additional testimony in support of the Settlement, which will include a response to Bench Request No. 2.

Q. Who are the signatories to the Settlement?

A. The Settlement, filed October 29, 2015, was signed by Avista, the Commission Staff, and Public Counsel. Accordingly, this represents a “multiparty settlement” under WAC 480-07-730.

¹ The Industrial Customers of Northwest Utilities also intervened in this proceeding, and, while not a signatory, does not oppose to the Settlement.
² The Stipulation itself provides a narrative explaining the issues and their agreed-upon resolution.

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II. QUALIFICATION OF WITNESS

Q. Mr. Christie, please provide information pertaining to your educational background and professional experience.

A. My name is Kevin J. Christie. I am employed by Avista Utilities as the Vice-President of Customer Solutions for Avista; a position I have held since 2015. In that role, I have the responsibility for external communications, community outreach and philanthropy, as well as customer energy efficiency and conservation activities, and new products and services. I joined Avista in 2005 as the manager of Natural Gas Planning. In 2007, I was named the director of Gas Supply. I was appointed the senior director of Finance in 2012 and named senior director of Customer Solutions in 2014.

I have a Bachelor of Arts degree with an accounting emphasis from Washington State University. In addition, I have completed the Utility Executive Course at the University of Idaho and the Finance for Senior Executives program at Harvard Business School.

I serve on the board of directors for the Northwest Gas Association, the Northwest Energy Efficiency Alliance, the Providence Health Care Foundation of Eastern Washington and the Avista Foundation.

Testimony of Avista (Christie)

The following addresses the questions posed in Bench Request No. 1:

Q. What has Avista done to improve the management of its demand side management (DSM) program since July 2015?

A. Overtime, Avista’s DSM team has achieved significant energy savings and continued to demonstrate its regional DSM leadership. We continue to clarify our individual and team roles and responsibilities, as well as accountability to enhance the way in which

1 we work with each other and with our external stakeholders. I believe that we have made
2 advancements in this regard in the past several months.

3 Avista actively manages and monitors the progress of its programs that are delivered
4 to customers with an emphasis on continuous improvements. Weekly meetings are held
5 with Program Managers and Management to serve as an opportunity for status reports on
6 project progress, results, and current issues. I am confident in Avista's DSM management
7 and the continued focus on the employment of utility best practices related to DSM program
8 implementation and oversight.

9 **Q. What has Avista done to improve its system(s) for monitoring DSM**
10 **spending levels and conservation acquisition since July 2015?**

11 A. Avista currently has two main tracking systems for energy efficiency
12 projects. Oracle's Customer Care and Billing (CC&B) software, rolled out in early 2015
13 replacing Avista's legacy customer information system, is used to track residential
14 prescriptive programs, and SalesLogix is used for tracking nonresidential (commercial,
15 industrial, nonprofit, multi-family developments and government) projects. The SalesLogix
16 database contains project, rebate, and customer information. The reason for a separate non-
17 residential tracking system is due to the complexity of the projects and the significant details
18 and project information that are necessary to track these projects from start to finish.

19 Avista has been evaluating DSM Enterprise software solutions for the past several
20 months, meeting and discussing with peer utilities, vendors, and the Avista Advisory Group.
21 Avista is in early contractual discussions with a vendor for its software platform that is
22 currently being used by PacifiCorp, Puget Sound Energy, Snohomish PUD, and Tacoma

1 Power. Based on successful contract negotiations, the plan is to begin integration of this
2 software in the second quarter of 2016.

3 **Q. What procedures are now in place to ensure that Avista's DSM staff will**
4 **become aware of complications regarding ongoing programs in a timely manner?**

5 A. Avista program management staff meets weekly to discuss the status and
6 issues of ongoing programs. It is in this venue where increased visibility to issues is provided
7 and can be brought forward to the Advisory Group as needed.

8 **Q. With regard to questioning from the bench of Mr. Dan Johnson, what**
9 **has the management of Avista's DSM program done since July 2015 to become familiar**
10 **with WAC 480-109 and the Commission's standard practice regarding the use of**
11 **conservation advisory groups?**

12 A. Avista's leadership takes all Commission rules and State statutes seriously
13 and has a strict policy to adhere to the laws and rules that govern the Energy Efficiency
14 Programs. Avista Energy Efficiency management has reviewed these rules and is committed
15 to full compliance with WAC 480-109, including WAC 480-109-110 related to the
16 Commission's standard practice regarding the use of conservation advisory groups. Periodic
17 reminders will be provided to program management staff through the weekly staff meetings
18 discussed above.

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1 **Q. What has Avista done to improve communication with its conservation**
2 **advisory group since July 2015?**

3 A. The Company has had continuous energy efficiency stakeholder involvement
4 since 1992. The Company’s program offerings, planning, evaluation findings, underlying
5 cost-effectiveness tests and results are reviewed during stakeholder meetings. Currently, the
6 Company holds in-person meetings at least twice per year³, hosts several webinars annually,
7 provides a detailed analysis of the results of DSM operations on a monthly and annual basis,
8 identifies large projects and provides a quarterly newsletter summarizing recent DSM
9 activities.

10 The Company appreciates the long-standing collaborative working relationship with
11 the Commission, its Staff and other stakeholders. Since the Open Meeting on July 30, 2015,
12 Avista has increased its outreach with the Advisory Group, by way of conference calls,
13 emails and webinars as well as meetings held August 19-20, 2015 September 15-16, 2015
14 November 16, and December 7, 2015. Exhibit No.____(KJC-3) is a copy of a presentation
15 given to the advisory group at the September, 2015 meeting related to DSM advisory roles
16 and responsibilities.

17 In addition, the Company had numerous phone discussions with core members⁴ of
18 the Advisory Group on topics related to the Biennial Conservation Plan, and Avista’s role
19 in EPRI. Avista's DSM Advisory Group consists of interested regulatory, consumer and
20 energy industry parties⁵.

³ Spring meeting was held on April 20 and 21, 2015 in Portland, Oregon, and the fall meeting in Spokane on September 15-16, 2015.

⁴ Members of the Washington and Idaho Commission Staff and Public Counsel.

⁵ The Advisory Group is Avista’s non-binding oversight and advisory group for energy efficiency. The Advisory group is currently composed of the UTC staff, the IPUC Staff, OPUC Staff, the Public Counsel Unit of the Washington Office of Attorney General, Northwest Energy Coalition, SNAP, The Energy Project,

1 This past fall, Avista recruited three new members to join our Advisory Group in an
2 effort to increase engagement and bring fresh views/thoughts to the process. These members
3 represent eSource, NRDC, and an Energy Efficiency Third Party Evaluator. The Company
4 is excited and pleased to have such experienced individuals to support our Advisory Group.

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III. PUBLIC INTEREST

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**Q. Please explain why Avista believes the Settlement is in the public interest,
consistent with the law, and is appropriate for adoption.**

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A. Avista has historically had a significant and consistent commitment to energy
efficiency, beginning with its programs in 1978. In the mid-1990s, while the electric industry
was pulling back from offering energy efficiency services, Avista pioneered the DSM Tariff
Rider, now in its 21st year. In its 21 year history, the DSM portfolio has met and often time
exceeded its target's. We do that by continuously innovating, adapting, and expanding
program offerings.

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The Company remains committed to its approach to energy efficiency, based on two
key principles. The first is to pursue all cost-effective kilowatt hours and therms by offering
financial incentives for most energy saving measures with a simple financial payback of over
one year. The second key principle is to use the most effective “mechanism” to deliver
energy efficiency services to customers.

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The Company, Commission Staff, Public Counsel and ICNU worked collaboratively
to resolve all issues identified in the Settlement and we believe the outcome reinforces the

Northwest Energy Efficiency Alliance, Northwest Power and Conservation Council, Northwest Energy
Efficiency Council, Idaho Conservation League, Putnam Price and the Opportunity Council.

1 processes and commitments to effectively manage the DSM programs, including monitoring
2 spending, and results, and coordination with the Advisory Group to serve all customers.

3 The Settlement highlights the continued commitment toward DSM best practices.
4 The Company’s programs are delivered across a full customer spectrum. Virtually all
5 customers have the opportunity to participate, and a great many have directly benefited from
6 the program offerings. All customers have indirectly benefited through enhanced cost-
7 efficiencies as a result of Avista’s portfolio approach.

8 **Q. In conclusion, why is this Settlement “in the public interest?”**

9 A. This Settlement should be approved because it addresses issues raised by the
10 parties and the Commission in such a way as to increase stakeholder involvement and assure
11 ongoing compliance with Commission rules and regulations.

12 **Q. Are there legal standards that must be satisfied with respect to any**
13 **settlement?**

14 A. Yes. The Commission’s charge is to regulate in the public interest. The terms
15 of the Settlement are fair, just and reasonable. (RCW 80.28.010) The Settlement represents
16 the Parties’ best efforts at arriving at an end result that satisfies these requirements.

17 **Q. Does that conclude your pre-filed direct testimony?**

18 A. Yes it does.