Rob McKenna
ATTORNEY GENERAL OF WASHINGTON
800 Fifth Avenue #2000 • Seattle WA 98104-3188

June 24, 2011

SENT VIA E-MAIL & US MAIL
David Danner
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Pk. Dr. S.W.
PO Box 47250
Olympia, WA 98504-7250

Re: Avista Corp.
Docket No. UG-110790, Natural Gas DSM Rider, Schedule 191
Docket No. UE-100176, Revised 2011 Annual Plan, Proposed CFL Contingency Plan

Dear Mr. Danner:

Public Counsel submits these comments in advance of the Commission's June 30, 2011 Open Meeting. These comments address two topic areas. First, we discuss Avista's proposed revision to their 2011 DSM Business Plan in order to fund a $4.7 million CFL contingency plan that would mail eight CFLs to every residential customer, as well as many commercial customers. Second, we discuss Public Counsel's review of Avista's energy efficiency programs and expenditures in connection with the Company's natural gas tariff filing. Avista is proposing this CFL contingency program because the Company believes it may not meet their conservation target approved by the Commission for 2010-2011 in Docket No. UE-100176. We recommend the Commission require Avista to revise their CFL contingency program plan to include impact evaluation and verification in order to determine an appropriate unit energy savings for the CFLs distributed by this program. As discussed below, this is appropriate because a rigorous, regionally-accepted savings estimate for a program of this kind does not exist, and also because of the large scope and expense of this proposed new program.

Our review of DSM expenditures identifies a range of process and tracking issues which we expect to explore further with Avista and the DSM Advisory Group in the near term. We would like to recognize that the past several months have included an extraordinary amount of activity related to Avista's DSM programs. For example, several impact evaluations have recently been completed regarding residential programs, and Avista is making program modifications as a result of those evaluations. We applaud the work that Avista is doing to enhance and improve their DSM programs in response to evaluation, measurement, and verification, and in consultation with the Advisory Group.

Public Counsel Recommendation

Public Counsel supports the Staff recommendation to allow the 36% reduction to the Schedule 191 natural gas DSM tariff to take effect. Public Counsel has concerns with Avista's proposal to spend $4.7 million to send eight CFLs to every residential customer via an unsolicited direct mail program. Because a rigorous 'deemed' savings estimate does not exist for this type of program, we recommend the Commission require Avista to revise its CFL Contingency Program Plan to include impact evaluation and verification in order to determine the appropriate unit energy savings associated with the CFLs distributed through the program to residential and commercial customers.

I. Avista's Proposed CFL Unsolicited Direct Mail Contingency Program

The size and scope of Avista's proposed CFL contingency program is somewhat breathtaking. At a cost of almost $5 million to reach Washington residential customers, the projected budget represents a 31% increase to the Washington 2011 DSM electric budget of $15 million. Through this program, the Company plans to distribute 1.8 million CFLs to Washington residential customers. Avista projects the savings associated with this program will be 57,600 MWh. This level of savings would exceed Avista's reported savings for its entire Washington portfolio in 2010, which was 48,083 MWh.[1]

We understand Avista's desire to send a larger number of bulbs is driven by the Company's uncertainty as to whether it will meet its I-937 conservation target. Avista projects that the third-party verification of electric savings will result in a 68% realization rate (i.e. Avista's verified savings are 68% of original claimed savings). Avista has stated that this projection "was based upon a review of an early draft of the Technical Reference Manual."[2]

We understand the large scope of this program is driven by the Company's uncertainty as to whether it will meet its conservation target for 2010-2011. However, we observe that this program design is not consistent with recent evaluation and analysis of best practice of direct mail programs. That review, conducted for BPA, recommends mailing no more than four or five CFLs due to findings that there are lower installation rates if more bulbs are mailed.[3]

---

[1] Avista 2010 Demand Side Management Annual Report, Tables 17, 19 and 21. These savings do not include NEEA savings.

[2] Avista's Response to Public Counsel Data Request No. 24, Public Counsel's Second Set of Questions to Avista, dated May 20, 2011. The Technical Reference Manual (TRM) is being developed by Cadmus and will review savings estimates for all prescriptive measures.

[3] *Lighting Program Assessment: Residential Direct Distribution,* Final Report, Prepared by Research Into Action, Funded by Bonneville Power Administration, June 15, 2010. (hereafter, 'BPA study'). This study is available at the following link: http://www.bpa.gov/energy/n/reports/evaluation/pdf/Residential_CFL_Final.pdf

Additionally, Public Counsel's primary concern is that a rigorous, regionally accepted savings estimate for this type of unsolicited CFL delivery, and for a program of this scale, does not exist. Evaluation, measurement and verification related to this program may ultimately result in savings that are significantly lower than, or even higher than, Avista's recently revised estimate of 32 kwh. At this stage, we simply do not know the appropriate per bulb unit energy savings estimate because this is a new program, without the benefit of a history of substantiated evaluations to draw upon. Consequently, we recommend the Commission require Avista to revise the proposed CFL contingency program plan to include an impact evaluation, as well as verification of the savings for this program. We would expect that Avista would work with its DSM Advisory Group regarding such modifications. Our reasons for recommending this level of EM&V are discussed further below.

Avista's proposed CFL Contingency Program plan states the following:

> Since Avista utilized the Northwest Power Conservation Council's (NPCC's) 6th Power Plan as the basis for the establishment of the I-937 target, the level of savings assumed within the Plan will be appropriately applied to program throughput. For residential customers receiving CFLs of mixed wattage *via any delivery mechanism*, the Plan assumes 32 first-year kWhs per CFL. This includes assumptions for removal, breakage or failure, space-conditioning interaction and similar factors that would prevent a percentage of the CFLs from delivering energy savings. (emphasis added).

Public Counsel respectfully disagrees with the representation made by Avista that the 6th Plan assumption of 32 kwh per CFL applies to any delivery mechanism to residential customers. Our understanding is that the 6th Plan supply curve analysis is based upon the customer soliciting the CFL, and therefore the plan does not reflect or include unsolicited delivery of CFLs.

Importantly, unit energy savings estimates can vary significantly depending upon the program delivery mechanism. For example, the Regional Technical Forum (RTF) savings estimate for residential retail purchase of a CFL is 24 kwh, whereas the RTF estimate for direct installation of a CFL is 37 kwh (e.g. installation during a home audit). This reflects that if a customer purchases a six-pack of CFLs at Costco, for example, they may install four of those bulbs within a year, but two of the bulbs may land on the pantry shelf for awhile. The spreadsheet included with Avista's Revised CFL Contingency Program, includes 'delivery mechanism' language from the NPCC, which plainly shows that the delivery methods contemplated are all customer solicited. The spreadsheet states that delivery is via: "Manufacturer, retailer or consumer rebate, coupon or other incentive and direct installation."[4] Notably, this list does not included unsolicited mail delivery.

[4] Avista Revised CFL Contingency Plan, June 22, 2011, Attached Excel spreadsheet, "Avista CFL Measurement."

Avista is proposing, in essence, a 'deemed' per unit energy savings of 32 kwh per CFL distributed through this program. Avista's EM&V Framework document defines 'deemed savings' as follows:

> Deemed Savings: An estimate of an energy savings or energy-demand savings outcome (gross or net savings) for a single unit of an installed energy efficiency measure that (a) has been developed from data sources and analytical methods that are widely considered acceptable for the measure and purpose and (b) is applicable to the situation being evaluated.[5]

Moreover, the section of Avista's EM&V Framework discussing "approaches for determining savings" explicitly states that the deemed savings approach "is only valid for projects with fixed operating conditions and proven history of substantial evaluations."[6] There is no 'deemed' savings estimate associated with unsolicited direct mail of CFL bulbs, to residential or commercial customers. The RTF, for example, has not adopted any savings estimates related to unsolicited delivery of residential CFLs. In addition, as discussed above, the 6th Plan supply curve analysis does not contemplate unsolicited delivery. We therefore respectfully disagree with the following statement in Avista's CFL contingency plan: "This measure was incorporated into the NPCC's 6th Power Plan at a defined unit energy savings. It is Avista's intent to apply the same unit energy savings used in the development of the target for incorporation into the 2010-2011 I-937 acquisition claim."[7] We believe that EM&V (including impact evaluation and verification) must be performed to determine the appropriate first-year unit energy savings estimates for this program.

The purpose of such an impact evaluation and verification for this new $4.7 million direct-mail CFL program would be to examine issues described below, as well as any other relevant issues that an independent evaluator believes are relevant for a program of this nature. There are several variables that can affect how many of the 1.8 million bulbs will be installed and deliver savings. These include:

- *Installation rate.* For programs of this type, the unit energy savings for each CFL is likely to vary considerably depending upon the number of bulbs included in the mailing. The BPA study referenced earlier found that customers who received more than five CFLs reported much lower installation rates.[8] This likely reflects that as more bulbs are shipped, customers are less likely to install all of the bulbs so a larger percentage find their way to a closet shelf (and hopefully get installed at a later date). Therefore, the assumed savings per bulb is likely to be lower for delivery of eight bulbs than it would be

[5] Docket Nos. UE-090134, UG-090135 & UG-060518 (consolidated), *Avista Utilities Evaluation, Measurement, and Verification (EM&V) Framework,* September 1, 2010, p. 5.
[6] Avista EM&V Framework, p. 24.
[7] Docket No. UE-100176, CFL Contingency Program, Revised Avista filing, June 22, 2011, p. 4.
[8] BPA Study, Figure 3.1, p. 16.

for only two bulbs. Moreover, the installation rate is likely to be different for a customer solicited CFL program, where the customer has made an affirmative choice to purchase the bulb, for example, as compared to this type of unsolicited delivery targeting all residential customers.

- *Removal.* The removal rate provides an estimate as to the percentage of customers who install one or more bulbs, but later remove one or more for a variety of reasons. A program of this kind (unsolicited delivery) may have a higher removal rate compared with customer-solicited programs, where customers have decided to purchase a CFL.

- *Burnout.* The burnout rate may vary depending upon issues such as the quality and age of the bulb, as well as whether the bulb is installed in an appropriate application. The BPA study found that 24% of survey respondents who installed at least one CFL from their shipment reported that at least one of those bulbs had burned out.

- *Breakage.* The rate of breakage will vary depending upon packaging of the box, as well as implementation issues related to delivery.

- *Shrinkage.* The number of CFLs actually received by customers may be lower than the number distributed due to a variety of reasons, such as theft or inability for the post office to deliver the package to a particular address.

In addition to the reasons described above, we believe that impact evaluation and verification is appropriate given the unprecedented nature of the proposed program. As mentioned above, the cost of almost $5 million for this program represents a 31% increase to the Washington electric DSM budget of $15 million filed in the Company's 2011 Business Plan in Docket No. UE-100176. The Avista EM&V Framework provides guidance regarding prioritization of EM&V activities. Specifically, the Framework states that prioritization will be based upon issues such as the size of the program, uncertainty regarding the results, and impact upon regulatory oversight.[9] Based upon these criteria this proposed program clearly warrants comprehensive EM&V of the savings associated with the program.

The expense associated with Public Counsel's proposed evaluation and verification is appropriate and justified. Avista's Revised CFL Contingency Plan estimates costs for measurement and verification at $80,000, which includes a 'robust survey option.'[10] Such a customer survey could likely be designed to analyze the issues described above, in order to identify an appropriate first year unit energy savings. In the event the cost of the EM&V efforts contemplated by Public Counsel are twice that amount ($160,000) that would represent 3% of projected program costs which seems very reasonable for a program of this scale.

[9] Avista EM&V Framework, pp. 18-19.
[10] Revised CFL Contingency Plan, June 22, 2011, p. 4.

II. Public Counsel's Review of Avista's Energy Efficiency Program Expenditures

Like other utilities, Avista's energy efficiency programs and expenditures have grown in recent years. In 2010, Avista reported DSM expenditures of $10.8 million for its electric programs in Washington, and $5.3 million for its Washington natural gas DSM programs.[11] In addition, Avista contributed about $1.7 million to NEEA for regional market transformation efforts.[12] Avista's 2010 Demand-Side Management Annual Report indicates that total savings in Washington from Avista's local programs resulted in electric savings of 48,083 MWh, and natural gas savings of 1.4 million therms.[13]

<u>Focus of Public Counsel's Review (Docket No. UG-110790)</u>

On April 29, 2011 Avista filed a proposed revision to their natural gas DSM rider (Schedule 191) requesting a 51% decrease in the rider rate. This request was later revised on May 25, 2011 to reflect a 36% reduction in the rider rate.[14] In its April 29 filing, the Company indicated that it was not seeking an adjustment to the Schedule 91 electric DSM rider rate. Avista's work papers indicated that a positive balance of about $2.5 million is projected for the Washington electric DSM account, suggesting a decrease in the Schedule 91 rate would be appropriate at this time. However, as discussed above, Avista is proposing a new CFL contingency program that is now projected to cost about $5 million to reach Washington residential customers.

Public Counsel's review included both electric and natural gas DSM expenditures. Our review included analysis of the Company's original filing and supporting work papers, the 2010 Annual Report, and Avista's responses to informal discovery conducted by Staff and Public Counsel on a range of topics. We also reviewed Avista's work papers to support maintaining the electric DSM rider (Schedule 91) at current levels. In addition, in conjunction with Staff, Public Counsel conducted a one and a half day site visit at Avista's offices in Spokane to review a sample of expenditures and related documentation, including rebates. During this visit, Avista DSM staff also provided a review of the systems used to track residential rebates (CSS system) and non-residential rebates (Sales Logix). We greatly appreciate Avista's prompt responses to our inquiries, including questions and follow-up resulting from our visit to Avista's offices.

Public Counsel's review focused primarily on Avista's reported expenditures for its DSM programs (both natural gas and electric) in order to verify that those expenditures occurred as Avista reported. We did not examine the prudence or appropriateness of expenditures. For

---

[11] Docket No. UE-100176, Avista Demand Side Management 2010 Annual Report, March 31, 2011, Tables 23 and 24. (hereafter, "2010 Annual Report.")
[12] 2010 Annual Report, p. 25. The Washington share of 2010 NEEA contributions are about $1.15 million.
[13] These Washington total savings figures were derived by adding sector savings for Residential, Limited Income, and Non-residential in Tables 17 through 22 of the 2010 Annual Report.
[14] Avista's May 25, 2011 cover letter to the revised tariff filing explains that the revision was to correct an error discovered in the Company's work papers.

Avista, prudence review has historically occurred in the context of general rate cases.[15] While our review identified some preliminary areas of concern as to the appropriateness of some expenses for DSM purposes, such as certain dues, memberships, and sponsorships, we are not recommending any specific disallowances as part of this filing. Instead, we believe those matters will be examined in a future proceeding reviewing prudence of DSM expenditures. Lastly, Avista's reported energy savings were not closely examined as part of this filing, as that review will occur as part of the future DSM prudence review and/or Avista's I-937 conservation achievement performance review for 2010-2011.

While our comments highlight some areas of concern and issues that we expect to continue to address with the Company, we want to underscore our belief that considerable progress has been made with regard to Avista's energy efficiency programs over the past year. The Company has been responsive to the requests and inquiries of stakeholders, and is proactively responding to issues that have emerged as a result of evaluation, measurement, and verification as well as other reviews conducted by third parties and Avista staff. We are pleased that Avista is seeking to enhance and improve their DSM programs so that ratepayer funds are directed in an efficient and effective manner to acquire cost-effective conservation.

Issues identified as a result of our DSM expenditure review are discussed below.

Avista's Tracking of DSM Expenditures

Avista does not currently track actual DSM expenditures by program. Thus, while the DSM annual business plan (filed in November of each year) provides the projected annual DSM budget for each program, it is not possible to compare actual expenditures to budgeted expenditures at the program level. Instead, Avista tracks DSM expenditures according to these categories: (1) direct customer incentives, (2) non-labor, non-incentive, and (3) labor.[16] Our understanding is that Avista is able to track customer incentive expenses by program on an annual basis, but other expenses are not tracked by program. In Public Counsel's view it would be preferable to track all DSM expenditures by program, but we understand from Avista that investing in more sophisticated systems may be costly. We encourage the Company to continue to examine whether investment in new systems is appropriate, particularly to the extent that DSM programs expand further.

Allocation of DSM Labor and Administrative Expenditures

As discussed above, one of the categories of DSM expenditures as tracked by Avista is 'labor.' It appears, however, that most of the labor expenditures are recorded primarily in the 'non-incentive, non-labor' category. For example, the expenditure detail provided to Commission

[15] When and how prudence of DSM expenditures are reviewed is currently being discussed in the Washington Conservation Work Group, Docket UE-110001.
[16] These categories are slightly different from the DSM expenditures reported in the 2010 Annual Report, which are incentives, implementation, and EM&V.

Staff and Public Counsel shows total Washington electric labor expenses of $138,171 for 2010 and natural gas labor expense of $66,196. Such a low labor expense is not possible given that Avista's DSM programs are delivered by "approximately 34 people spread over 23 full time equivalents (FTE)."[17] During our site visit, we reviewed expense invoices and expense detail indicating that labor expenses were allocated to the 'non-labor, non-incentive category.'

In addition to providing transparency regarding DSM program costs, an important reason to track expenses with precision is to ensure the accuracy of the inputs to the cost-effectiveness analysis.[18] To the extent that labor expense, or any other administrative or non-incentive expenses, are allocated to the 'customer incentive category,' such expenses may not be included appropriately in the cost-effectiveness analysis. For example, one of the invoices reviewed during our visit indicated that administrative fees paid to the third-party administrator of the retail CFL program were incorrectly categorized as 'Residential incentive.' The Company has indicated this is not their standard practice and thus this appears to be an inadvertent error. This issue may be explored further when Avista's cost-effectiveness analyses are reviewed.

10% Limitation for Programs without Measured Savings

The Commission's Order approving Avista's conservation targets for 2010-2011 includes a requirement that Avista spend no more than 10% on programs without measureable energy savings.[19] The December 30, 2010 Staff Memo identifies Avista's 'Every Little Bit' outreach effort as within this category of informational programs.[20] Avista's 2010 Annual Report indicates that expenses for this program were $638,000 in 2010.[21] In addition, another program without any measured savings is the LEED certification incentive program for non-residential customers.[22] In 2010, incentive payments for this program were $462,000.[23] Taken together, these expenses of $1.1 million fall within the 10% guideline. To the extent the third-party verification of Avista's DSM savings identifies any additional programs that are not associated with energy savings, the expenses for those programs would likely also be reviewed relative to the 10% guideline.[24]

---

[17] Docket No. UG-110790, Avista's April 29, 2011 cover letter to tariff filing, p. 3.
[18] Labor expenses should be included in the 'non-incentive utility cost' line item in the cost-effectiveness analysis.
[19] Docket No. UE-100176, Order 01, ¶ 63(d).
[20] Docket Nos. UE-100176, UE-101769 & UG-101770, December 30, 2010 Staff Memo, p. 5.
[21] 2010 Annual Report, p. 25.
[22] Customers receiving incentive payments as part of the LEED certification program generally also receive incentive payments for specific energy efficient measures. Estimated energy savings are associated with those specific measures (e.g. HVAC, lighting), but no savings are assumed for the LEED certification.
[23] 2010 Annual Report, Table 21, p. 23. Avista is phasing out the LEED incentive program, which Public Counsel believes is appropriate.
[24] The third-party verification of 2010 natural gas DSM savings is expected to be completed by September 1, 2011 (in connection with the annual natural gas decoupling rate adjustment filing, Schedule 159), and the 2010-2011 verification of electric savings will be completed prior to June 1, 2012 (Docket No. UE-100176).

Need for Enhanced Controls in Avista's Tracking and Processing of Non-residential Rebates

A recent review of Avista's DSM data management systems identified a concern regarding the potential for double-counting that could occur regarding reporting of non-residential savings.[25] This can occur, the report points out, because multiple individuals have access to the Sales Logix system and are able to make and enter changes. This was an area of concern to Public Counsel because the energy savings and expenditures associated with the non-residential sector are generally rather large. Double-counted savings could potentially result in inaccurate reported annual energy savings, which in turn could impact the cost-effectiveness analysis.[26]

During our site visit, Avista provided an overview of the Sales Logix system, which tracks the progress and eventual completion of non-residential projects. A variety of Avista employees have access to the Sales Logix system, including Account Executives, Avista DSM implementation staff, and Avista DSM policy, planning, and analysis (PPA) staff. The Sales Logix system does not appear to differentiate between authorized users and the actions they can make within the system (e.g. users authorized to enter data vs. those authorized to modify or edit data). Subsequent to our visit, Avista provided the manual tracking system (excel spreadsheet), the Company has recently developed to help prevent double-counting of savings. While we are pleased Avista is responding to this concern, we note that the Company's solution is a manual process that itself could be vulnerable to error. A preferable solution would be to implement system controls whereby only certain staff may enter information into the system, and a separate group of staff are authorized to make changes within the tracking system. Such a solution may require an upgrade to a new software system. We encourage Avista to keep this in mind to the extent the Company considers replacing the Sales Logix system at a future date.

Avista's Tracking and Processing of Residential Rebates

During our site visit Avista DSM implementation staff provided an overview of procedures and systems for tracking residential rebates. Previously, concerns related to processing residential rebates were identified in the evaluation of certain natural gas and electric residential programs conducted by Ecotope. For example, with respect to the electric residential windows program, Ecotope found that about fifty percent of customers receiving rebates did not match the eligibility criteria for the program.[27] This was an area of concern for Public Counsel because, to the extent that programs are not reaching intended participants, there is greater risk that energy

---

[25] *Avista Corporation Demand Side Management Programs Observations and Recommendations*, Moss Adams, February 25, 2011, p. 10 (*please see* section regarding 'cut off testing'). This review is provided as Attachment E to Avista's 2010 Annual Report.

[26] Public Counsel did not attempt to conduct a comprehensive audit of this issue as part of this review. We expect it would be examined as part of the third-party verification of DSM savings.

[27] *Energy Impacts Evaluation of Select 2008 Avista Residential and Low Income Demand-Side Management Programs,* Prepared by Ecotope, Inc. for Avista Corp., January 2011, p. 16. According to this report, of the 822 residential program participants in the electric windows program in 2008, 199 (24%) were actually gas heat customers, and 202 (24%) were electric customers, but their usage did not meet minimum criteria to confirm they were electric heat customers (defined by Ecotope as customers with usage exceeding 5,000 kwh per year).

savings will not be realized and that DSM funds will not be spent appropriately. During our site visit, Avista DSM implementation staff indicated that the Company has instituted enhanced procedures to ensure participants of all residential DSM programs provide complete documentation and meet designated program criteria, including verification that the customer's energy consumption is consistent with electric or natural gas heat, if applicable.[28] We anticipate these issues will continue to be explored in connection with the evaluation, measurement, and verification of Avista's DSM programs.

Fuel Conversion – Need for Reporting of Interactive Effects

Avista's 2010 Annual DSM Report includes reporting of electric savings associated with residential programs that encourage electric customers to convert to natural gas for space or water heat. In 2010, those programs resulted in 1,239 MWh of electric savings in Washington, representing 7.6% of residential electric savings.[29] The Annual Report does not provide corresponding increased natural gas consumption associated with these programs. Public Counsel believes such interactive effects should be reported, as they are for other energy efficiency measures.[30]

Inclusion of Savings from Prior Periods in 2010 Annual Report

During our review Public Counsel learned that Avista's 2010 Annual DSM report includes savings from prior periods, including 2008 and 2009 (e.g. projects that were completed and paid in 2008-2009, but for which the savings were apparently never claimed by Avista). It appears that these savings and associated expenses may represent only a small portion of total savings and expenses. Public Counsel is still considering whether this is appropriate. We anticipate this issue may be explored as part of the third- party verification of Avista's DSM savings and will come before the Commission at a future date.

Conclusion

In conclusion, for the reasons discussed herein, Public Counsel recommends that the Commission require Avista to revise the CFL contingency plan to include impact evaluation and verification in order to determine the appropriate unit energy savings associated with the CFLs distributed to residential as well as commercial customers. At this point we simply do not know the appropriate per bulb unit energy savings estimate because this is a new program without the

---

[28] As part of our spot-check review, we examined residential rebates processed on November 24, 2010. Of the 45 rebates reviewed, 7 (15%) did not have complete documentation. Most of these (6 of 7) lacked the customer signature, whereby the customer verifies the accuracy of the information and consents to verification. The other rebate did not include an invoice or Avista rebate form. The total amount paid for these 7 rebates was approximately $4,400.

[29] 2010 Annual Report, Table 17, p. 17.

[30] For example, Avista's non-residential prescriptive lighting program resulted in estimated electric savings of 12,311 MWh and increased natural gas consumption of 81,975 therms in Washington in 2010. 2010 Annual Report, Table 21, p. 22.

benefit of a history of substantiated evaluations to draw upon. It may well be that after thorough impact evaluation and verification, the Company's revised estimate of 32 kwh per bulb is supported. We do hope that this program is successful and achieves significant energy savings. Our desire is that the EM&V results will give the Commission, Avista, its ratepayers, and stakeholders greater confidence as to the amount of energy savings that are actually achieved as a result of mailing 1.8 million CFLs.

Lastly, we support the Staff recommendation to allow Avista's proposed reduction to Schedule 191 to take effect.

I plan to attend the Commission's June 30, 2011 Open Meeting to respond to any questions regarding these comments.

Sincerely,

Mary M. Kimball

Mary M. Kimball
Senior Policy Analyst
Public Counsel
(206) 389-2529

CC: Mike Parvinen (e-mail only)
Deborah Reynolds (e-mail only)
EJ Keating(e-mail only)
Rick Applegate(e-mail only)
Bruce Folsom(e-mail only)
Linda Gervais(e-mail only)