



Avista Corp.
1411 East Mission P.O. Box 3727
Spokane, Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170

October 22, 2010

VIA: Electronic Mail

David Danner
Executive Director and Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive S. W.
P.O. Box 47250
Olympia, Washington 98504-7250

Re: Comments of Avista Utilities - Docket No. UE-101521

Dear Mr. Danner,

On September 27, 2010, the Washington Utilities and Transportation Commission (Commission) issued a Notice of Open Meeting and Opportunity to Submit Statement of Issues in the above referenced Docket. The Company appreciates the opportunity to provide comments on the "Regulatory Issues Relating to Electric Vehicles" and looks forward to participating in the upcoming Open Meeting on October 28, 2010. The following is the Company's response to the notice:

Avista believes that the adoption of Electric Vehicles (EV's) is an effective way to reduce our country's dependence on foreign oil and reduce harmful effects of greenhouse gases. The consumer's adoption of electric vehicles will be partially dependent on the availability of infrastructure to charge and service their vehicle. It is our position that there should not be

additional regulation imposed on charging stations at this time, and that existing codes and regulations adequately protect consumers.

Currently, Avista has a limited number of electric vehicles in our service territory. These vehicles are primarily “converted” gasoline vehicles by home hobbyists. We acknowledge that the automotive industry will be producing and delivering electric vehicles this fall and we should see additional electric vehicles within our service territory beginning in 2011. We believe that the initial adoption rate in our service territory will be slow ranging from hundreds of vehicles in 2011 and 2012 escalating to thousands each year after 2013. There may be as many as 300,000 electric vehicles in our service territory by 2035. This may account for up to 15% of our residential load. The next few years will give us a much clearer picture as to the consumer point of view of electric transportation and its subsequent success.

In order to ensure that infrastructure is not a barrier to electric vehicle development, we believe that consumers need to be assured that charging sites are available, the services are safe, and fees are reasonable.

Availability of Charging Sites

We estimate that 85% to 90% of electric vehicle charging will be at the home. Connection to existing circuits for Level 1 charging is straight-forward, simple and requires only a standard 120 VAC outlet. It would be very difficult to adopt different rate structures when this method of charging is utilized as explained further below. Level 2 charging in a residence will most likely involve the installation of a charging unit that is either plugged into an existing 240 VAC dedicated appliance circuit or hard-wired into the home’s electrical panel. We believe that the National Electric Code (NEC) Article 625 adequately addresses the safety and operation of Level 2 units.

We anticipate public charging stations will develop just as gasoline stations are today. Charging stations will more than likely be used to attract other forms of revenue generation. An

adequate business model will need to exist for private operation and will include both the cost and operational expense of the charging station. Additional expenses for specialized metering or reporting requirements may discourage development of these facilities, which would have a detrimental effect on EV development. Because the consumer will have a choice of charging vendors, market forces will ensure pricing is competitive, just as gasoline filling stations are today.

We anticipate that many businesses may provide free electric vehicle charging for customers as an attraction for their stores. Charging stations will be supplied with energy from building panels and included in the building's existing rate tariff and their operational expenses. Public parking is another area where electric vehicle charging stations will be installed. In 2006, the parking rates in King County ranged from \$1.50 to \$20.00 and averaged \$6.16 per hour. Electric vehicle charging will most likely represent only a fraction of the value of a parking space. We believe parking vendors will utilize electric vehicle charging as a way to fill their lots. Additional regulation may discourage parking providers from installing charging infrastructure which would be detrimental to EV development.

Charging Systems are Safe

Electric vehicle charging system installation is governed by the NEC Article 625. This article covers electrical wiring and equipment installed between the service point and the skin of the electric vehicle. The NEC has coordinated with other standards such as those from the Society of Automotive Engineers, SAE J1772, Electric Vehicle Conductive Charge Coupler and Underwriters Laboratories, UL 2231-1 Standard for Personnel Protection Systems for Electric Vehicle Supply Circuits, as well as several other industry safety and performance standards. We anticipate that local building and inspection jurisdictions would ensure that electric charging installations meet these standards just as any other electrical addition to a premise.

Reasonable Fees

Since the majority of EV charging will be completed at homes, associated energy would be supplied from the house meter, and would represent equal accuracy with residential loads. Charging stations are evolving to include revenue grade electrical metering. Production vehicles will also have the ability to monitor the charge quantity as a comparison. For public charging stations, as noted earlier, energy values will most likely be a small percentage of the parking fees. In many cases, the electrical use will be bundled with a parking fee to simplify the transaction. Since the electric car owner can charge where they choose, we believe competitive market forces will keep public charging rates reasonable.

System Impacts

We believe the effects of electric vehicles on our system will not be material over the next decade. The addition of an electric vehicle to a household may add 2,500 kWh to 3,000 kWh to its annual load. This is equivalent to an additional refrigerator/freezer. We will closely monitor additional demand on our local distribution systems as EV's are adopted.

Electric Vehicle Charging Rates (Price)

At this time, we would not propose different or specific rates for electric vehicle charging. The addition of another metered circuit in a residential situation would be expensive and a significant financial deterrent to EV adoption. If a separate rate was implemented, it would also be difficult to ensure that the electric vehicle and other household loads were not interchanged. We would like to reserve the possibility of a pilot EV charging rate in the future as EV charging develops.

Transportability of Bills

A few customers have asked us, “if I travel to my friend’s house and charge my electric car, how will I pay for the electricity I use?” Our response has been “it’s the same as when your friend provided you dinner or a soft drink, they will be your host.” The good news is that an average commute is less than 40 miles and the energy used will be 8-10 kWh’s. The “top off” at your friend’s house for an hour or two might amount to 25 cents. We expect public vehicle charging would use the same system used for parking collection and will most likely be in the form of a credit card charge based on time in the parking space. The charge would cover the use of the space as well as the electricity.

We believe electric vehicles will have a positive effect on this country’s resources and environment. An unintended positive consequence is that consumers will develop a heightened appreciation of the value of electric service because charging an electric vehicle will provide a tangible value to a kilowatt hour. This appreciation will hopefully assist in the consumer’s awareness of other electric conservation activities.

Avista looks forward to participating in the upcoming workshop. If you have any questions regarding these issues, please contact Dave Holmes, Manager, Applied Research and Development at 509-495-4682 or myself at 509-495-4975.

Sincerely,

/s/Linda Gervais

Linda Gervais
Manager, Regulatory Policy
State and Federal Regulation