



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
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November 15, 2018

Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P. O. Box 47250
Olympia, Washington 98504-7250

RE: Fuel Conversion Plan to transfer funding of the program from the electric conservation rider to the natural gas conservation rider
Docket UE-170485

Dear Mr. Johnson:

On April 26, 2018, the Washington Utilities and Transportation Commission (Commission) entered Order 07 Final Order Rejecting Tariff Sheets, Approving Partial Settlement, And Directing Company To File Tariff Sheets In Compliance With This Order (Order 07) in the above-referenced docket. Order 07, among other things, required Avista Corporation d/b/a Avista Utilities (Avista or Company) to, after working with Commission Staff (Staff) and the Conservation Advisory Group (advisory group) and within six months after the entry of the Order, file a plan to gradually transfer the funding of the natural gas Fuel Conversion program from the electric conservation rider to the natural gas conservation rider by December 31, 2019, and assess the effectiveness and sustainability of the Fuel Conversion program under a new funding structure going forward.¹

On October 26, 2018, Avista filed with the Commission its plan to transfer funding of the natural gas Fuel Conversion program (Fuel Conversion Plan or Plan). The Company's Plan provides a path to gradually transfer funding of the Fuel Conversion program from the electric conservation rider to the natural gas rider by December 31, 2019. The Company worked with the advisory group in developing this plan. The advisory group was unable to find an effective and sustainable funding structure for the Fuel Conversion program beyond December 31, 2019. Ultimately, the Company's Plan proposes to discontinue the Fuel Conversion program in its current form but has

¹ UE-170485 Order 07 ¶ 286 and 369.

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agreed to continue work with the advisory group to explore a potential low income fuel conversion program.

Commission Staff reviewed the compliance filing provided by Avista dated October 26, 2018, and finds that it contains sufficient detail with respect to gradually transferring funding of the Fuel Conversion program away from the electric conservation tariff rider. Therefore, Staff believes that the filing complies with the Commission's Order 07, entered April 26, 2018.

Sincerely,

Jennifer Snyder
Regulatory Analyst