

## Avista Utilities Response in Docket No. UE-100176

The Commission has invited additional comments by the close of business August 2, 2012. The list of issues below were developed with interested parties following the Open Meeting on July 27, 2012. Please address whether you think an issue needs to be addressed by the Commission now, prior to issuing an Order, or could be resolved at a later time, and if so when and through what process.

Issues for written comments to address:

	Comments	When and Process
<b>Conservation</b>		
<ul style="list-style-type: none"> <li>• <b>NEEA savings</b></li> </ul>	Avista proposes that actual, reported savings consistent with the Company's target, as stated in Avista's compliance filing of June 1, 2012 be used.	Commission to decide on August 9, 2012 for the 2010-2011 period. The Company recommends that Avista's methodology be continued and no further action is necessary.
<ul style="list-style-type: none"> <li>• <b>Adjustments to reported savings</b></li> </ul>	This issue needs to be determined by the Commission due to, by definition, competing proposals by parties.	Commission to decide on August 9, 2012.
<ul style="list-style-type: none"> <li>• <b>Prudence</b></li> </ul>	Staff's proposed (7/16) prudence list is a reasonable summary of issues for consideration within the prudence test of "what decision did a rational manager make based on what she or he knew at the time." The section on advisory groups substituting for a company's Board of Directors should be clarified for meaning.	Avista's prudence review process is unique to Avista due to prior orders. Avista recommends: #1) The Commission issue a finding of prudence for Avista's 2010-2011 DSM expenditures and #2) The Commission issue an order stating that Avista's prudence requirement going forward be consistent with Staff's 7/16/2012 comments.
<ul style="list-style-type: none"> <li>• <b>Baseline/adaptive management</b></li> </ul>	Locked unit energy savings (UESs) are extremely important. Without locked UESs, target acquisition is problematic by definition. Companies	Avista recommends that the Commission affirm in its findings in this docket that locked UESs are the policy of the Commission.

Avista Utilities Response in Docket No. UE-100176

	<p>should not be penalized due to new UESs that are determined later in the two-year compliance period Adaptive management requires that potential new offerings be periodically reviewed for each biennium.</p>	
<ul style="list-style-type: none"> <li>• <b>Confidentiality</b></li> </ul>	<p>Avista complies with WAC 480-100/90-153 (Disclosure of Private Information). However, it is not clear that this rule isn't overly restrictive for delivering customer benefits through third party utility partners.</p>	<p>Guidance would be helpful on whether this rule can be broadly applied or if proposed modifications are appropriate to serve the public interest.</p>
<ul style="list-style-type: none"> <li>• <b>Consistency of EM&amp;V Frameworks</b></li> </ul>	<p>Avista implements an EM&amp;V Framework that has been fully reviewed by its Advisory Group.</p>	<p>No further action is necessary for Avista, unless parties suggest modifications, which would best be addressed within the Company's Advisory Group process.</p>
<ul style="list-style-type: none"> <li>• <b>Reporting Documentation requirements</b></li> </ul>	<p>Significant reporting is currently required pursuant to Avista's conditions in its BCP orders. If these reports are fully reviewed by parties engaged in our proceedings, then the current protocols are satisfactory. If these reports are not informing key stakeholders, then Avista would suggest modifications.</p>	<p>Avista recommends that its Advisory Group review reporting documentation for responsiveness to parties' data and information requirements.</p>
<ul style="list-style-type: none"> <li>• <b>"Pursue all" conservation resources</b></li> </ul>	<p>Utility targets have been Commission-approved in accordance with RCW</p>	<p>If a workshop or related activity is convened, then Avista requests that specific</p>

Avista Utilities Response in Docket No. UE-100176

	19.285 and WAC 480-109 consistent with the Council's definition of all cost-effective conservation based on annualized targets and a 20-year acquisition period. Significant stakeholder involvement has occurred on this topic.	issues be denoted for consideration. For example, such a specific issue might be “should ‘all’ cost-effective conservation be acquired in five years, rather than twenty, with calculations of the associated cost to customers.”
<ul style="list-style-type: none"> <li>• <b>CWG working Group</b></li> </ul>	<p>A pre-requisite for an effective working group is the meaningful attendance of all parties and the willingness of all parties to make policy commitments and contribute towards a group consensus. Issues that are primarily technical in nature are better suited for electronic discussion with, if necessary, in-person or conference call affirmation.</p>	<p>Working groups should only be convened if there is a well-defined objective and deliverable and the clear willingness of all parties to express policy commitment for their organization. More tightly defined issue-specific discussions have a lower requirement for such a commitment on the behalf of participating parties.</p>
<ul style="list-style-type: none"> <li>• <b>Advisory Group Role in prudence review</b></li> </ul>	<p>Avista prefers to work in collaboration to reach consensual understandings. This is not in conflict with current understandings that Avista retains full responsibility and authority to take those actions necessary to manage these activities towards a successful conclusion.</p>	<p>Avista recommends continued Advisory Group engagement for review of programs and associated activities, recognizing that prudence determinations rest with the Commission. If significant litigation ensues, then this is an indicator that advisory group involvement may not be productive for some issues on a going-forward basis.</p>
<ul style="list-style-type: none"> <li>• <b>Demand Side Resources RFP review</b></li> </ul>	<p>Avista is not opposed to Advisory Group</p>	<p>Avista recommends extending an offer to</p>

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	<p>member participation in RFPs but notes that this should not unduly delay this process if availability of participants is problematic. Regarding RFPs, utilities have multiple meetings, discussions and interviews spanning, in some cases, multiple weeks. Avista would retain full responsibility and authority regarding the final work product and timeline.</p>	<p>advisory group members to participate in RFP review as an observer, subject to timelines and expense not being unduly affected.</p>
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\*This issue was raised by Chairman Goltz during the July 27 Open Meeting.