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ATTORNEY GENERAL OF WASHINGTON

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April 20, 2001

VIA FAX and US Mail (WUTC only)

Carole Washburn
Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Pk. Dr. S.W.
PO Box 47250
Olympia, WA 98504-7250

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ATTORNEY GENERAL
UTIL. AND TRANSP.
COMMISSION

Re: Avista Energy Efficiency Tariff Rider Increase, Docket No. UE-010436

Dear Ms. Washburn:

Public Counsel is pleased to support Avista's filing to increase its energy efficiency tariff rider, designed to increase funding for energy efficiency programs and to implement a low income rate assistance program.

On the efficiency portion of the filing, Public Counsel believes the company's response to the current energy supply situation and its own load resource balance is a positive development. The company, and indeed the region, is facing a summer in which wholesale market prices for energy are likely to be extremely high, and supplies quite tight. These circumstances make more opportunities for conservation cost-effective, and suggest increasing pursuit of those opportunities as the most cost-effective and constructive solution available. Public Counsel views this filing as a step in the correct direction, and therefore supports this modest increase to the tariff rider to pursue incremental cost-effective conservation.

While we remain concerned whether the level of cost-effective conservation the company is acquiring is adequate in its current and near-term power supply circumstances, we believe that the appropriate proceedings for addressing this concern exist elsewhere before this Commission. The company's pending power supply deferral case and the power supply case required by the rate case order may offer an opportunity to address the appropriate level of conservation to be acquired in this market. Finally, we continue to find value in Avista's ongoing Triple E Board as a forum for discussing program design, implementation, and evaluation.


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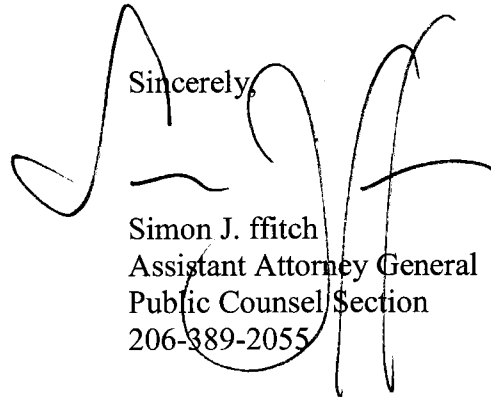
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We understand the incremental revenue from this filing will be used, in part, to implement several new residential programs that will be launched over the next few months. These programs include rebates for programmable thermostats for gas and/or electric homes, air-source heat pumps, compact fluorescent bulbs, high-efficiency water heaters, and high-efficiency gas furnaces. Public Counsel strongly supports programs such as these that provide incentives to overcome cost barriers so residential customers have the ability to use energy more efficiently.

With regard to the low-income rate assistance program, Public Counsel is pleased to see Avista responding to the opportunity created by the Legislature when it passed EHB 1459 in 1999. According to data presented by SNAP and the company, need for this program, as measured by households at or below the federal poverty threshold, appears to be on par with that in Pacificorp's Washington service territory. Avista's larger customer base suggests a program of broader scope and larger scale than Pacificorp's is appropriate. We believe the use of a program design that differs from that approved for Pacificorp is useful as stakeholders work to understand the most effective and efficient implementation strategies. We note that Avista has provisions for program evaluation in the filing, and intend to work with the company and other interested stakeholders in the evaluation process.

Thank you for this opportunity to comment.

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read 'S. J. Ffitch', is written over the typed name and title.

Simon J. Ffitch
Assistant Attorney General
Public Counsel Section
206-389-2055

cc: Bruce Folsom, Avista Corp.