BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of	)	
	)	
AVISTA Corporation dba Avista Utilities	)	DOCKET NO. UE-22_____
	)	
For an Order Requesting Exemption of	)	
WAC 480-109-130	)	PETITION OF AVISTA CORPORATION
________________________________	)	

I. PETITIONER

1 In accordance with WAC 480-07-395, the name and address of Petitioner, Avista Corporation, dba Avista Utilities (Avista or the Company), is as shown below. Please direct all correspondence related to this Petition as follows:

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II. SUMMARY

2 Pursuant to WAC 480-07-110, Avista hereby requests that the Commission issue an order approving this Petition and allowing for an exemption from WAC 480-109-130, the Company's annual requirement to file revisions to its electric tariff WN U-28, Schedule 91 – Demand Side Management (DSM) Rate Adjustment, in addition to correlating Condition 12(d) of Attachment A in Order 01 of Docket No. UE-210826, which contains parallel cost recovery filing requirements to those in WAC 480-109-130. The Company has provided the attached work papers as documentation in support of this request.

III. REASON FOR REQUESTED EXEMPTION

3 WAC 480-109-130 provides that:

> Utilities must file with the Commission for recovery of all expected conservation cost changes and amortization of deferred balances…no later than June 1st of each year with a requested effective date at least sixty days after the filing. <u>If the utility believes that a filing is unnecessary, then it must file a request for exception and supporting documents no later than May 1st of each year demonstrating why a rate change is not necessary</u> (emphasis added).

4 Avista's DSM tariff rider mechanism is designed to match future revenue with budgeted expenditures. To ensure appropriate recovery, the mechanism includes a true-up feature that reconciles the previous periods' actual expenditures and collections. In review of the current Schedule 91 tariff rider balance and estimated activity, Avista believes that the current rate is sufficient and is therefore recommending no change to the current rate. As of March 31, 2022, the Schedule 91 tariff rider balance was approximately $3,941,205 overfunded. However, given the estimated level of expenses associated with the reinstatement of Avista's Multifamily Direct Install Program (MFDI) as well as the proposed "Named Communities Investment Fund" annual commitment of $2 million, the over-collected balance is forecasted to be reduced to $2.5 million within 12-months and, further, be underfunded by $269,000 after 24 months.

5 The Company's forecasted expenses are based on the level of activity for the most recent 12-month period (April 2021-March 2022), with expected changes to energy efficiency expenditures through March 2024 then incorporated. Worth noting within these estimates is the anticipated increase in expenses related to Avista's MFDI program as it resumes activity at a level consistent with pre-COVID levels. The impact of this adjustment—replacing the 2020-2021 levels of MFDI activity with estimates based on 2019 levels, which better represent a fully scaled program—is approximately $3.3 million on an annual basis. In addition, Avista has included an

incremental expense of $2 million annually for its projected work for energy efficiency projects associated with its "Named Communities Investment Fund". This expense level is pending Commission approval in the Company's Clean Energy Implementation Plan (CEIP), Docket No. UE-210628. Avista has prorated these costs for 2022. Avista anticipates that further incentive level changes may occur throughout the year in order to meet I-937 conservation requirements, however, those changes will be discussed with Avista's Energy Efficiency Advisory Group and have not been incorporated into this forecast. Note that such a change would only accelerate the reduction of the overfunded balance.

6 Therefore, Avista is requesting no revision to Schedule 91 at this time, to allow for adequate revenue to both fund current energy efficiency operations as well as to mitigate any potential underfunding of the tariff rider balance. The Company will continue to track the progress of this balance and should the retention of the current tariff rider rate either fail to clear an underfunded balance or lead to an overfunded balance at the end of the next twelve-month period, Avista will request a revision to clear that balance in its June 1, 2023 filing.

VI. COMPANY'S REQUEST

7 The Company respectfully requests that the Commission issue an order approving the Company's request for the continuation of the current rates related to DSM funding in Schedule 91, thereby exempting the Company from WAC 480-109-130 and Condition 12(d) of Attachment A in Order 01 of Docket No. UE-210826 for the June 1, 2022 filing.

DATED this 29th day of April 2022.

Respectfully submitted,

Avista Utilities
By: ___ */s/ David Meyer*_____________
David J. Meyer, Vice President and Chief
Counsel for Regulatory and Governmental Affairs