

Exhibit 9 UG-090052 DSM Tariff Changes

Avista Corp.
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December 31, 2008

Dave Danner
Executive Director
Washington Utilities and Transportation Commission
PO Box 47250
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

Dear Mr. Danner:

Attached for filing with the Commission is an electronic copy of the Company's proposed revisions to the following tariff sheets, WN U-28 and WN U-29:

Seventh Revision Sheet 91
Ninth Revision Sheet 191

Canceling Sixth Revision Sheet 91
Canceling Eighth Revision Sheet 191

This filing requests approval of an increase to Schedules 91 and 191 rates, "Public Purposes Rider Adjustment," also known as the "energy efficiency tariff riders." Schedules 91 and 191 are designed to recover the costs incurred by the Company associated with providing electric and natural gas energy efficiency services to customers. Now in its fourteenth year, the energy efficiency tariff riders were the country's first distribution charge to fund demand side management (DSM) and are now replicated in many other states. The proposed increase in Schedules 91 and 191 rates are necessary to continue to fund ongoing electric and natural gas efficiency programs consistent with Avista's most recent electric and natural gas Integrated Resource Plans (IRPs) and to amortize a deficiency balance within the electric and natural gas efficiency tariff riders resulting from the Company's response to higher than expected customer demand for services. The proposed increase in revenues for DSM will not increase or decrease the earnings of the Company.

The Company's energy efficiency targets are established in the process of developing the Electric and Natural Gas IRPs. The electric IRP efficiency goal for Washington and Idaho in 2008 was 53.0 million kWhs. The results of Avista's energy efficiency programs continue to exceed targets. Through November, Avista's 2008 year-to-date energy efficiency savings amount is 72.7 million kWhs (approximately 8.3 aMW) or 137% of the Company's annual target. Over 138 aMW of cumulative savings have been achieved through Avista's energy efficiency efforts in the past thirty years; over 110 aMW of DSM is currently in place on the Company's system. By comparison, Avista estimated total retail load for 2008 is 1,098 aMW, therefore the total DSM energy savings represent a meaningful reduction to the retail load that Avista would otherwise serve. The 2008 natural gas savings targets for Washington and Idaho is 1.425 million therms. Over 1.75 million therms have been saved through November which is 123% of the 2008 target. In 2007, the Company exceeded its efficiency savings goal of 47.5 million kilowatt hours (5.4 aMW) by 13% and exceeded its natural gas efficiency targets of 1.06 million therms by 41%.

Exhibit 9 UG-090052 DSM Tariff Changes

Schedule 91 and 191 Revisions

December 31, 2008

Page 2

Customers continue to look to the Company's DSM programs for assistance in responding to increased retail electric and natural gas prices. Existing and planned programmatic expenditures are exceeding tariff rider revenues. As of the close of November 2008, Avista's electric DSM tariff rider balance for Washington is a negative \$5,498,678 and the natural gas DSM tariff rider balance for Washington is a negative \$2,475,712 (past expenditures have exceeded tariff rider revenues). The proposed tariff rider increase is estimated to eliminate this current balance by the end of 2010 and to fund estimated future expenditures. The proposed increase in the DSM surcharge is approximately 1.68% of present electric rates and 0.95% of present natural gas rates. The Limited Income Rate Assistance Program (LIRAP) surcharge is also incorporated into the Schedule 91 and 191 surcharge and will remain at the level established in Docket Nos. UE-080416 and UG-080417. The total proposed surcharge (DSM and LIRAP) under Schedules 91 and 191 will be approximately 5.58% of present electric rates and 3.39% of natural gas rates.

Additional drivers that have added to increases in the tariff rider balances include:

- 1) increased demand for demand-side management programs;
- 2) Avista has seen increasing avoided costs which leads to a higher number of cost-effective energy efficiency programs;
- 3) higher level of energy efficiency acquisition identified in the IRP leads to increased dollars per unit as higher cost measures are selected on the supply curve; and
- 4) RCW 19.285 ("Initiative 937") establishes a floor on future electric DSM acquisition plans. (Historically, Avista's acquisition has exceeded this floor).

All Schedule 91 and 191 DSM funds will remain within the electric and natural gas efficiency programs either offered by the Company directly or through designated contractors, or as part of cooperative regional electric and natural gas efficiency programs. The Company will continually assess the demand for services and program financial balances and propose revisions to Schedules 91 and 191 as necessary. Schedule 91 and 191 funds support DSM programs described in Schedules 90 and 190. These programs include but are not limited to the following measures:

- Appliance measures
- Compressed air measures
- HVAC measures
- Industrial measures
- Lighting measures
- Maintenance measures
- Motors measures
- Renewable Technologies
- Northwest Energy Efficiency Alliance participation
- Shell measures
- Sustainable Building measures

Exhibit 9 UG-090052 DSM Tariff Changes

Schedule 91 and 191 Revisions

December 31, 2008

Page 3

The Company's programs are based on providing a financial incentive, or "rebate," for cost-effective efficiency measures installed by customers with a simple payback of greater than one year. This includes over 300 measures that are packaged into over 30 programs for customer convenience.

Avista has long encouraged the direct-use of natural gas to its electric customers. The Company is continuing this effort with residential rebates for the conversion of electric to natural gas space and water heat loads as well as a broad program for any non-residential electric to natural gas conversions meeting specified criteria for relative British Thermal Unit (BTU) efficiency. The cost-effective potential for these measures have been incorporated into Avista's Integrated Resource Planning effort and are contained within the identified acquisition goal. Avista's residential programs include high efficiency equipment, electric to natural gas conversions, Compact Fluorescent Lights (CFLs), "second" refrigerator recycling, weatherization, rooftop dampers as well as providing educational assistance through various community events.

For non-residential customers, in addition to prescriptive programs, Avista offers "site specific" programs. Site-specific programs are customized to the customer premise. The site specific offering provides incentives on any cost-effective commercial and industrial energy efficiency measure with a simple financial payback exceeding one year. This is implemented through site analyses, customized diagnoses, and incentives determined for savings generated specific to customers' premise or process. Commercial and industrial programs available to Avista customers include site specific, Energy Smart commercial refrigeration, lighting and controls, commercial food service equipment, AirCare Plus (Heating Ventilation Air Conditioning (HVAC) maintenance), premium efficiency motors, power management for personal computer (PC) networks, LEED certification, commercial HVAC variable frequency drives (VFDs), refrigerated warehouses, vending machine controllers, demand controlled ventilation, side-stream filtration, steam trap replacement and repair, multifamily development, LED traffic signals, electric to natural gas water heater conversions, and commercial clothes washers.

In addition to Avista's prescriptive and site-specific programs, the Company funds and participates in the activities of the Northwest Energy Efficiency Alliance (NEEA). NEEA focuses on using a regional approach to obtain electric efficiency through the transformation of markets for efficiency measures and services. An example of NEEA-sponsored programs that benefits Avista customers is decreasing the cost of CFLs and high-efficiency appliances by working through manufacturers. For some measures a large-scale, cross-utility approach is the most cost-effective means to achieve energy efficiency savings. This approach seems particularly effective for markets composed of large numbers of smaller usage homogeneous consumers, such as the residential and small commercial markets. The results from NEEA programs are reported in March of the following year. Historically, Avista has received approximately 1.5 aMW of savings in its service territory from NEEA programs. For 2007, Avista's portion of the regional savings amounted to 2.0 aMW or almost 18 million kWh.

The Company has provided \$1.5 million for low-income weatherization in 2008 in Washington and Idaho. Effective January 1, 2009, in Order No. 8 in Docket Nos. UE-080416 and UG-080417, approximately \$1.2 million was to be directed to Washington electric and natural gas low-income customers. This program is administered by the six local community action agencies in our eastern Washington service territory. The low-income weatherization portfolio represents 8% of our total

Exhibit 9 UG-090052 DSM Tariff Changes

Schedule 91 and 191 Revisions

December 31, 2008

Page 4

energy efficiency budget. The Company also provides a Low Income Rate Assistance Program (LIRAP) for bill-paying assistance.

These programs are supported by 19.4 full-time equivalents (FTE) spread over 34 staff. (This does not include Company support from the Contact Center, Corporate Communications, Accounting and other direct and indirect support.) The 2008 total DSM budget was over \$18 million.

Of the Company's revenues collected under Schedules 91 and 191 during this year, 73.7% were paid out to customers in direct incentives pursuant to the cost-effectiveness tests described below. This does not include additional benefits such as technical analyses and education provided to customers by the Company's DSM engineering staff.

The Company has regularly convened a stakeholder's forum known as the External Energy Efficiency Board (Triple E). These meetings have included customer representatives, Commission staff members, and individuals from the environmental communities. These stakeholder meetings review the Company's program offerings as well as the underlying cost-effectiveness tests and results. The programs have been cost-effective from both a Total Resource Cost (TRC) and Utility Cost Test (UCT) perspective. These tests, and the cost-effectiveness levels were reviewed as part of the Company's most recent general rate case in Docket Nos. UE-080416 and UG-080417 and were found to be prudent. For the most recent reporting period, the TRC benefit-to-cost ratio was 2.24 for the overall electric DSM program portfolio, with a net TRC benefit to customers of over \$24 million in 2007. The UCT benefit to cost ratio is cost-effective with a net UCT benefit of over \$23 million. The natural gas DSM programs were cost-effective with a 1.06 TRC benefit/cost ratio. The UCT benefit to cost ratio is cost-effective with a net benefit of over \$7 million. The increased funding requested herein will continue to be subject to the existing cost-effectiveness tests.

In summary, installing energy efficiency measures is a primary action customers can take to respond to a period of increasing energy prices facing the Pacific Northwest and the country as a whole. Avista's energy efficiency programs are being used by customers at unprecedented levels. Customer participation continues to exceed current funding. The Company's request trues-up its electric and natural gas tariff riders to a level to meet customer demand and reduce existing negative balances, and to provide funding for future energy efficiency programs. Energy efficiency remains the lowest cost new resource and all customers benefit by its acquisition.

The estimated annual revenue change associated with this filing is approximately \$6.97 million for electric and \$2.41 million for natural gas, or an increase of 1.68% and 0.95% respectively. Pursuant to WAC 480-100-195(2), enclosed is a "Notice of Tariff Change" which will be posted in all Company offices coincident with the date of this filing. Also enclosed are a copy of the workpaper supporting this filing.

As part of the Settlement Agreement approved by the Commission in Docket No. UE-070804, the Company is to provide an annual report regarding the status of the tariff rider balances and address plans to modify the tariff rider rates accordingly. This filing is responsive to this requirement.

Exhibit 9 UG-090052 DSM Tariff Changes

Schedule 91 and 191 Revisions

December 31, 2008

Page 5

Please direct any questions on this matter to Bruce Folsom at (509) 495-8706 or myself at (509) 495-4975.

Sincerely,

A handwritten signature in cursive script that reads "Linda Gervais".

Linda Gervais

Manager, Regulatory Policy

Avista Utilities

linda.gervais@avistacorp.com

Enclosures

Exhibit 9 UG-090052 DSM Tariff Changes

Ninth Revision Sheet 191

Canceling

Eighth Revision Sheet 191

WN U-29

AVISTA CORPORATION
dba Avista Utilities

SCHEDULE 191

PUBLIC PURPOSES RIDER ADJUSTMENT - WASHINGTON

APPLICABLE:

To Customers in the State of Washington where the Company has natural gas service available. This Public Purposes Rider or Rate Adjustment shall be applicable to all retail customers taking service under Schedules 101, 111, 112, 121, 122, 131, and 132. This Rate Adjustment is designed to recover costs incurred by the Company associated with providing Demand Side Management services and programs, and Low Income Rate Assistance (LIRAP) to customers.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

	<u>DSM Rate</u>	<u>LIRAP Rate</u>
Schedule 101	\$0.03344 per Therm (I)	\$0.00962 per Therm
Schedule 111 & 112	\$0.02944 per Therm (I)	\$0.00831 per Therm
Schedule 121 & 122	\$0.02756 per Therm (I)	\$0.00768 per Therm
Schedule 131 & 132	\$0.02663 per Therm (I)	\$0.00743 per Therm

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 158.

Issued December 31, 2008

Effective February 1, 2009

Issued by Avista Corporation
By Kelly O. Norwood, Vice-President, State and Federal Regulation

Exhibit 9 UG-090052 DSM Tariff Changes

DSM Tariff Rider Projection with Current Rider Amounts

	Balance			Aggregate	Revenue			Expenses				
	WAE	WAG	ID E		WAE	WAG	ID E	WAE	WAG	ID E		
End of November 2008	5,498,678	2,475,712	1,149,305	9,981,575	951,106	240,000	558,210	283,000	1,180,000	475,000	600,000	210,000
End of 2008	5,727,572	2,710,712	1,191,095	10,434,259	981,000	2,969,000	2,461,000	1,543,000	12,825,032	3,713,703	5,167,027	1,625,761
End of 2009	8,671,604	3,455,415	3,897,122	16,917,782	981,000	2,980,000	2,503,000	1,576,000	15,390,038	4,396,444	6,200,432	1,950,913
End of 2010	13,938,642	4,871,859	7,594,554	27,667,609	10,123,000	2,980,000	2,503,000	1,576,000	15,390,038	4,396,444	6,200,432	1,950,913

DSM Tariff Rider Projection with the Proposed Rider Increase

	Balance			Aggregate	Revenue			Expenses				
	WAE	WAG	ID E		WAE	WAG	ID E	WAE	WAG	ID E		
End of November 2008	5,498,678	2,475,712	1,149,305	9,981,575	951,106	240,000	558,210	283,000	1,180,000	475,000	600,000	210,000
End of 2008	5,727,572	2,710,712	1,191,095	10,434,259	16,850,321	5,404,930	6,288,277	2,174,277	12,825,032	3,713,703	5,167,027	1,625,761
End of 2009	1,702,283	1,019,486	99,845	3,077,978	17,092,321	5,415,930	6,300,277	2,207,277	15,390,038	4,396,444	6,200,432	1,950,913
End of 2010	-	-	-	-	-	-	-	-	-	-	-	-

	WAE	WAG	ID E	ID G
Balances at end of 2008	5,727,572	2,710,712	1,191,095	804,880
Net Deficit for 2009-2010	8,211,070	2,161,147	6,403,459	457,674
Additional revenue req'd to reduce the balance to 0	13,938,642	4,871,859	7,594,554	1,262,554
Additional annual revenue to recover balance in 2 years	6,969,321	2,435,930	3,797,277	631,277
Increase over current revenue	71%	82%	154%	41%
Proposed Rider	4.79%	2.73%	3.18%	2.11%

Current LIRAP rider	0.79%	0.66%	0.00%	0.00%
Total Public Purpose Rider with proposed DSM Increase	5.58%	3.39%	3.18%	2.11%

Est Base Revenue for 2009	\$ 415,929,000	\$ 256,347,000	\$ 237,718,000	\$ 96,450,000
Annual Increase as a percent of base revenue	1.68%	0.95%	1.60%	0.65%

	Washington		Idaho	
	Old DSM Rate	Proposed DSM Rate	Old DSM Rate	Proposed DSM Rate
Schedule 1	\$ 0.00186	\$ 0.00317	\$ 0.08100	\$ 0.20598
Schedule 11 & 12	\$ 0.00263	\$ 0.00449	\$ 0.09600	\$ 0.24158
Schedule 21 & 22	\$ 0.00194	\$ 0.00331	\$ 0.07300	\$ 0.18564
Schedule 25	\$ 0.00127	\$ 0.00217	\$ 0.05200	\$ 0.13224
Schedule 25P	\$ -	\$ -	\$ 0.04600	\$ 0.11698
Schedule 31 & 32	\$ 0.00173	\$ 0.00295	\$ 0.07600	\$ 0.19327
Schedule 41-48	2.81%	4.79%	1.25%	3.18%
Schedule 101	\$ 0.01837	\$ 0.03344	\$ 0.02063	\$ 0.02907
Schedule 111 & 112	\$ 0.01617	\$ 0.02944	\$ 0.01817	\$ 0.02560
Schedule 121 & 122	\$ 0.01514	\$ 0.02756	\$ -	\$ -
Schedule 131 & 132	\$ 0.01463	\$ 0.02663	\$ 0.01523	\$ 0.02146

Exhibit 9 UG-090052 DSM Tariff Changes

ATTACHMENT TO AVISTA'S JANUARY 22, 2009 "REVISED" APPLICATION IN DOCKET NOS. UE-082272 AND UG-090052

Following Avista's initial filing on December 31, 2008 to revise Tariff Schedules 91 and 191, the Company conferred with representatives of the Commission's Staff and with Public Counsel, and reached the following understanding with respect to Avista's future commitments regarding the process for future recovery of costs under the tariffs as well as ongoing communications with the External Energy Efficiency (EEE) Board.

1. Avista will establish a schedule for the revision of the DSM components of Schedules 91 and 191 to reduce the likelihood of significant positive or negative balances in the future. Therefore, Avista will file with the Commission on or before February 15th of each year, beginning 2010, to revise the DSM portions of the Schedule 91 and 191 tariff rider mechanisms to establish tariff riders that are sufficient to fund the following twelve months of DSM as well as amortize any tariff rider imbalance. The intent of this annual filing is to minimize any potential under or over collections. It is understood that discussions with interested parties may, from time to time, lead to the filing of requests for modifications of this process in the event that the projected change to the tariff rider is very small or when changes to the period of time that an imbalance is to be recovered are deemed appropriate. Therefore, Avista will make either a tariff filing or request for extension with the Commission on or before February 15th, of each year.
2. Avista will circulate drafts of any tariff revision, or concepts for consideration, affecting the Company's DSM portfolio to our Triple-E board at least 30 days prior to filing said revision with the Commission. Triple-E board members will receive an e-mail alert from Avista if monthly projections indicate that the Company will spend more than 120% or less than 80% of its annual energy efficiency budgets for either Washington or Idaho electric or

Exhibit 9 UG-090052 DSM Tariff Changes

gas DSM. . The alert will include Avista's action plan to address the issue. Avista will complete and circulate an analysis of the cost-effectiveness results in the prior calendar year to the Board by March 31st of the subsequent year.

3. Avista will file quarterly reports on the Schedule 91 and 191 tariff rider balances with the Triple E Board and the Commission. These quarterly reports will be for calendar quarters and will be filed 30 days after each calendar quarter. The report will also track the negative balance by year end 2010. Avista has not and does not currently earn any interest upon any "negative" DSM balance (customer owes shareholder) in the tariff rider.
4. The protocols described above will manage the balances of the tariff rider mechanism and ensure that sufficient funding is available for the completion of cost-effective energy efficiency acquisition. One reason that the tariff rider balances have been negative is because Avista has acquired, and will continue to acquire, cost-effective energy-efficiency resources as an important component of our overall resource portfolio. This includes meeting customer demand for energy efficiency financial rebates in advance of tariff rider recovery.
5. Based upon the finding of our most recent business plan, the revisions to Schedules 91 and 191 requested in this filing will both fund future DSM operations as well as reduce the December 31st, 2008 negative Schedule 91 balance of \$5,919,437.12 and the Schedule 191 negative balance of \$2,798,070.85 within two years. Beginning February 15, 2011, filings will only include carry-over of undercollections from one previous year.

Exhibit 10 Communication Log

Item/Issue/Question	Date	Type	Communication From		
			Titus	Avista	Advisory Group
Independent Energy Usage Modeling	11-Sep	email	WeatherWise suggested initial conference call to discuss scope, data, etc.		
	17-Sep	email		Since it was difficult to get a conference call set up, it was decided to circulate email questions and responses initially.	
	17-Sep	email	WeatherWise asked if the Evaluator is expected to complete a proprietary, supplemental energy usage model as proposed or if we are expected to comply with the direct instructions of the Evaluation Plan only.		
	24-Sep	email		Avista supports an independent, non-proprietary model, especially for low income customer usage modeling.	
	2-Oct	email	Titus presented a proposed workplan for review.		
	7-Oct	email		Avista communicated their concerns about meeting the report deadline, noted the Evaluation Plan does not require independent modeling and advised us to focus on completing the directed scope, which may require some modeling for limited income customers, but not an all-encompassing model. Avista will provide sufficient "off-the-shelf" data for most of the general analysis we are required to perform.	
	8-Oct	email			Public Counsel communicated their desire for Titus to perform an independent model to verify Avista's energy reduction claims and instructed Titus to note that the decision for this issue was made by Avista and not by consensus.
Kick-Off Meeting	14-Oct	email	Preliminary agenda sent out for 10/23 & 10/24 meeting.		
	23-Oct	email	Titus sends "Kick-off" meeting presentation slides.		
	23-Oct	meeting		Kick-Off Meeting Day 1 held.	
	24-Oct	meeting		Kick-Off Meeting Day 2 held.	
Avista Data Request #1	19-Oct	email	Titus sends out Avista DR #1.		
	20-Oct	email		Avista requested that anyone with access to Avista's confidential data sign their confidentiality agreement.	
	23-Oct	fax	Titus sends signed confidentiality agreements.		
	23-Oct	CD-ROM		Avista provides data they had prepared in advance for each question.	
	24-Oct		Titus considers DR #1 fulfilled.		
Avista Data Request #2	24-Oct	email	Titus sends out Avista DR #2.		
	29-Oct	email		Avista requests to restate questions #11 and #25 for clarification.	
	29-Oct	email	Titus approves Avista's restatement of questions #11 and #25.		
	29-Oct	CD-ROM		Avista provides data for 80% of DR #2.	
	19-Nov	email		Avista response to DR#2, Question 19.	
Avista Data Request #3	15-Dec	email		Avista update to DR#2, Q19.	
	28-Oct	email	Titus sends out Avista DR #3.		
	11-Nov	email		Avista communicates they are close to releasing response.	
	24-Nov	email		Avista response to DR#3, Q6.	
The Energy Project Data Request #1	28-Oct	email	Titus sends out Energy Project DR #1.		
	5-Nov	email			Energy Project partial response to DR#1.
	11-Nov	email	Titus requests ETA on remaining items.		
	17-Nov	email			Energy Project response to DR#1, Question 3.
	25-Nov	email			Energy Project remaining responses.
WUTC Staff Data Request #1	28-Oct	email	Titus sends out WUTC Staff DR #1.		
	6-Nov	email			WUTC Staff partial response to DR#1
	10-Nov	email			Energy Project provides supplemental information.
Data for WeatherWise	29-Oct	email	Titus requested that WeatherWise receive a copy of all future data updates/correspondence.		
Status Call #1	6-Nov	email	Titus distributes preliminary agenda.		
	7-Nov	email	Titus distributes web conference login info.		
	10-Nov	email	Titus distributes slide deck for meeting		
	10-Nov	phone		Status Call #1 Meeting held.	
	13-Nov	email	Titus distributes preliminary summary.		
	24-Nov	email	Titus distributes final summary.		
	24-Nov	email			Follow up questions from Public Counsel.
Status Call #2	25-Nov	email		Response to Public Counsel question remaining after Status Call #2.	
	10-Nov	email	Titus distributes web conference login info.		
	21-Nov	email	Titus distributes agenda.		
	24-Nov	email	Titus distributes slide deck.		
	25-Nov	phone		Status Call #2 held.	
Status Call #3	25-Nov	phone	Call included discussion of Public Counsel questions distributed 11/24/08.		
	25-Nov	email	Titus distributes preliminary summary.		
	10-Nov	email	Titus distributes web conference login info.		
	10-Dec	email	Titus distributes agenda.		
	11-Dec	phone		Status Call #3 held.	
	18-Dec	email	Titus distributes preliminary summary.		
	18-Dec	email	Titus distributes recording access information on separate email.		
Avista Data Request #4	13-Nov	email	Titus distributes request.		
Avista Data Request #5	18-Nov	email	Titus distributes request.		
	20-Nov	email		Avista response to DR#5, Q1 & 2.	
Avista Data Request #6	21-Nov	email	Titus distributes request.		
	3-Dec	email		Avista response to DR#6.	
	15-Dec	email	Titus asked for clarification on population numbers.		
	15-Dec	email		Avista clarification for DR#6 questions.	

Exhibit 10 Communication Log

Item/Issue/Question	Date	Type	Communication From		
			Titus	Avista	Advisory Group
Preliminary Draft Walk-through/Status Call #4	25-Nov	email	Titus distributes meeting information.		
	9-Dec	email			Public Counsel distributes additional information for onsite meeting.
	16-Dec	email		Onsite meeting changed to web conference due to weather.	
	16-Dec		Telephone call to verify onsite meeting is being changed to a web conference. This call only included Pat Ehrbar for Avista and Murray Sim for Titus.		
	18-Dec	email	Meeting Agenda Distributed.		
	18-Dec	email		Weather will limit Avista participation. It was agreed to continue and table any questions that require additional input from others who cannot participate.	
	18-Dec	phone	Status Call #4 held.		
	19-Dec	email	Titus distributes preliminary summary.		
	19-Dec	email			WUTC Staff clarified one point from the discussion and questioned whether everyone had agreed that Titus had fulfilled the need for a preliminary report. This will be clarified during Status Call #5.
	2-Jan	email	Titus distributes final summary addressing WUTC Staff concerns.		
Preliminary Report Draft #1	9-Dec	email	Titus distributes for review.		
Preliminary Report Draft #2	11-Dec	email	Titus distributes for review.		
	12-Dec	email		Draft feedback.	
	12-Dec	email			WUTC Staff draft feedback.
	15-Dec	email		Avista asked our preferred mode for additional feedback (Excel, Word).	
	15-Dec	email			Public Counsel draft feedback.
	17-Dec	email	Titus distributes Draft #3 with consolidated comments.		
	17-Dec	email		Avista provides additional comments along with proposed revisions for Tables C8 & C9.	
	17-Dec	email			WUTC Staff additional comments on Section K.
	18-Dec	email	Titus distributes Draft #2 with consolidated comments.		
29-Dec	email			Public Counsel additional feedback.	
Avista Data Request #7	12-Dec	email	Titus distributes request.		
	15-Dec	email		Avista partial response to DR#7.	
	2-Jan	email		Avista response to DR#7, Q3.	
	23-Jan	email		Avista provides ammendment to their DSM tariff solution.	
Preliminary Report Draft #3	16-Dec	email	Titus distributes for review.		
	18-Dec	email	Titus distributes Draft #2 with the front end from Draft #3 for additional comments.		
Status Call #5	19-Dec	email	Titus distributes web conference login info.		
	30-Dec	phone	Status Call #5 held.		
Preliminary Report Draft #4	2-Jan	email	Titus distributes preliminary summary and slide deck for review.		
	22-Dec	email	Titus distributes for review.		
	29-Dec	email		Avista provides feedback, a new analyst report for Section L and feedback on options for adjusting revenue related cross up in initial decoupling filing.	
	29-Dec	email		Avista provides clarification on NW Seed.	
	30-Dec	email			Energy Project question regarding new customer usage and the impact of multi-family housing.
	31-Dec	email			Energy Project concerns on LI population estimate and participation in bill assistance.
	2-Jan	email	Titus response to LI population concerns with plan of action.		
Avista Data Request #8	2-Jan	email		Avista responds to Energy Project's multi-family housing question.	
	30-Dec	email	Titus distributes request.		
	2-Jan	email		Avista's partial response.	
	2-Jan	email		Avista's response for DR #8, Q's 4 & 5.	
	7-Jan	email		Avista's response for DR#8 Q's 6-8.	
UG-080417	2-Jan	email		Avista provides the final order.	
Avista Data Request #9	2-Jan	email	Titus distributes request.		
	13-Jan	email		Avista's response.	
Status Call #6	2-Jan	email	Titus distributes web conference login info.		
	26-Jan	email	Meeting date moved to 2/9 due to Titus' delay in publishing Draft #1 of the Final Report.		
	9-Feb	email	Titus provides Agenda for meeting.		
	9-Feb	phone	Status call #6 is held.		
	9-Feb	email		Avista distributes Appendix 5 of the UG-080416 Settlement Agreement.	
	11-Feb	email		Avista provides margin rates less revenue related expense.	
	19-Feb	email	Titus distributes Status Call #6 Proposed Summary.		
Final Report Draft #1	18-Jan	email	Titus requests deadline extension from 1/19 to 1/22.		
	23-Jan	email	Titus requests deadline extension to 1/26.		
	26-Jan	email	Titus distributes Draft #1 of the Final Report for review along with a version with changes tracked, Exhibits and supporting worksheets.		

Exhibit 10 Communication Log

Item/Issue/Question	Date	Type	Communication From		
			Titus	Avista	Advisory Group
Data Request #10	27-Jan	email	Titus distributes request.		
	2-Feb	email		Avista's response to DR#10, Q13.	
	2-Feb	email		Avista's response to DR#10, Q's 4, 7-12, 14 & 17 along with 2008 C/I savings, Schedule 191 Tariff updates and review of Draft #1 worksheets.	
	3-Feb	email		Avista's response to DR#10, Q's 1, 2, 3, 5, 6, 15, 16 & 18.	
	13-Feb	email		Avista provides an updated Schedule Migration worksheet for DR#10-7.	
	24-Feb	email	Titus requests updated Triple-E information including December, 2008.		
	26-Feb	email	Titus requests update for DR#10, Q2 worksheet with December, 2008 update.		
	26-Feb	email		Avista distributed updated worksheet for DR#10, Q2.	
	24-Feb	email		Avista provides updated Triple-E data and the 2008 DSM Savings Verification Audit preliminary results.	
	26-Feb	email		Avista provides 2008 DSM Savings Verification Audit Draft.	
6-Mar	email		Avista provides final 2008 Savings Verification Audit Report.		
Final Report Draft #2	30-Jan	email	Titus distributes Draft #2 of the final report & Exhibits.		
	5-Feb	email		Avista provides review of Draft #2.	
	5-Feb				Public Counsel provides review of Draft #2.
Schedule 101 C/I Savings	3-Feb	email			Public Counsel submits request to review Schedule 101 DSM savings as large savings were evident when the target customer has smaller usage.
	10-Feb	email		Avista provides a detailed summary of Schedule 101 C/I savings.	
	24-Feb	email			Public Counsel inquired about missing data and errors in the report.
	25-Feb	email		Avista distributes an updated worksheet with revisions and comments.	
	6-Mar	email		Avista distributes a reminder that the customer information on the distributed worksheet is confidential.	
J1, J2 and 2008 Revenue Run Data Request.	26-Feb	email	Titus distributes request for additional data for J1, J2 and Revenue Run.		
	27-Feb	email		Avista distributes additional data.	
Final Report Draft #3	5-Mar	email	Titus distributes Draft #3 of the final report for review with a Changes Tracked version.		
	9-Mar	email	Titus distributes updated Exhibits.		
	16-Mar	email		Avista requests Excel files for Exhibits.	
	16-Mar	email	Titus distributes Excel files for Exhibits.		
	16-Mar	email		Avista submits some feedback on minor items on the report.	
	17-Mar	email		Avista provides feedback on draft and communicates a desire for a more traditional Executive Summary rather than Titus' recommended question approach.	
	17-Mar	email			Public Counsel agrees with Avista regarding the Executive Summary and provides additional feedback on the report.
	18-Mar	email			Public Counsel provides additional report feedback.
	18-Mar	email		Avista provides data feedback on the report.	
	19-Mar	email			The Energy Project provides feedback on the report.
	19-Mar	email		Avista provides additional feedback on Draft #3.	
	19-Mar	email			Public Counsel provides feed back on Draft #3.
	20-Mar	email		Avista responds to Public Counsel data concern.	
	20-Mar	email			Public Counsel responds with another data concern.
	20-Mar	email	Titus distributes revised DSM savings estimates and asks for Avista's feedback.		
23-Mar	email		Avista responds with DSM savings feedback.		
Status Call #7	20-Feb	email	Titus distributes the invitations for Status Calls #7 & #8.		
	19-Mar	phone	Status Call #7 held.		
	20-Mar	email	Titus requests data on Every Little Bit costs.		
	20-Mar	email		Avista provides Every Little Bit costs.	
	20-Mar	email	Titus requests 2008 Verification Report cost.		
	20-Mar	email		Avista provides 2008 Verification Report cost.	
	20-Mar	email	Titus seeks clarification on customer migration feedback.		
	20-Mar	email		Avista provides details on what is defined as a new customer in the customer migration computer program.	
	20-Mar	email		Avista distributes multi-year DSM value methodology.	
	20-Mar	email		Avista provides DSM Expenditure definitions.	
Final Report Draft #4	27-Mar	email	Titus distributes proposed Status Call #7 Summary.		
	20-Mar	email	Titus distributes Draft #4.		
	23-Mar	email			WUTC Staff provides feedback on Drafts 3/4.
	24-Mar	email			The Energy Project provides feedback on Draft #4.
Status Call #8	20-Feb	email	Titus distributes the corrected invitation for Status Call #8.		
	24-Mar	email		Avista inquires whether additional information will be distributed before Status Call #8.	
	24-Mar	email	Titus responds that additional information is not available because all available time has been invested in getting the DSM savings numbers correct.		
	24-Mar	Phone	Status Call #8 held.		
	24-Mar	email			NWIGU distributes docket number for WA's general decoupling review.
27-Mar	email	Titus distributes proposed Status Call #8 Summary.			

Exhibit 10 Communication Log

Item/Issue/Question	Date	Type	Communication From		
			Titus	Avista	Advisory Group
Final Report Draft #5	25-Mar	email	Titus distributes Draft #5.		
	25-Mar	email			Public Counsel inquires whether updated Exhibits will be distributed.
	25-Mar	email	Titus responds that updated Exhibits are forthcoming but may not be available before Status Call #9.		
	25-Mar	email			NWIGU provides feedback on Draft #5.
	25-Mar	email			The Energy Project provides feedback on Draft #5.
	26-Mar	email		Avista provides feedback on Draft #5.	
	26-Mar	email			Public Counsel provides feedback on Draft #5.
Status Call #9	26-Mar	email		Avista provides feedback on Draft #5 proposed redacting.	
	25-Mar	email	Titus distributes invitation.		
	26-Mar	email	Titus distributes Exhibit 11.		
	26-Mar	Phone	Status Call #9 held.		
	26-Mar	email	Titus distributes Exhibits C, 10 & 11 for review.		
	27-Mar	email	Titus distributes updated Exhibit C with C/I sorted.		
Final Report	27-Mar	email	Titus distributes proposed Status Call #8 Summary.		
	30-Mar	email	Titus distributes Final Report.		
	30-Mar	email	Titus distributes Exhibits.		
	30-Mar	email	Titus distributes redacted Final Report.		
	30-Mar	email	Titus distributes redacted Exhibits.		
30-Mar	email	Titus distributes electronic files.			

Exhibit 11 Additional Questions and Concerns

The following questions and concerns from Avista and the Advisory Group resulting from review of Titus' draft submissions of the report were considered outside the scope of this Evaluation and not addressed. To the best of Titus' knowledge, the report addresses all other submitted questions and concerns.

Public Counsel – Evaluation Scope

Titus proposed the option of completing a proprietary model to verify energy savings in their original proposal for this evaluation. (10/2/08 email) Public Counsel communicated their desire for the independent model to verify Avista's energy reduction claims.

Response: Avista communicated their concerns about meeting the report deadline, noted the Evaluation Plan does not require independent modeling, is concerned about using proprietary modeling and advised Titus to focus on completing the directed scope, which may require some modeling for limited income customers, but not an all-encompassing model. (10/7/08 email) Public Counsel instructed Titus to note that the decision for this issue was made by Avista and not by consensus. (10/8/08 email)

Public Counsel - Introduction

“You might also consider including the following excerpt from the Commission’s order, which is at paragraph 26: “However, the proportion of margin lost to company sponsored DSM relative to the amount subject to recovery is of great interest to us, and we will closely scrutinize this factor in reviewing the result of this pilot decoupling program.” (12/29/08 Draft Edits)

Response: Titus removed nearly all Commission quotations from the report, including this one. Although many of these quotes are relevant to the upcoming examination of the Mechanism, we trust all parties involved are aware of the Commission’s concerns and desires.

Avista - Executive Summary – DSM Verification

It is important to note that Avista’s DSM verification protocols are adapted from the Northwest Power and Conservation Council’s Regional Technical Forum (RTF), which has been in existence since 1996. “Deemed savings” have been an accepted verification practice in the Western states for some time and are based on in-the-field analysis.

Appropriate requirements for measurement have been met historically; there has been no demonstration of historically inaccuracy. (12/29/08 Avista draft edits)

Response: Titus scaled back the review of the DSM programs after discussions with Avista and the Advisory Group reached the understanding that this report is an evaluation of the Decoupling Mechanism and not the DSM programs. Where aspects of the DSM programs directly impact the Mechanism, Titus has provided appropriate comments and recommendations. In this case, Titus recommends continuing to emphasize prescriptive incentives and incorporating future DSM verification requirements that may alter the accepted results into the ongoing operations of the DSM programs rather than using a year-end approach.

Exhibit 11 Additional Questions and Concerns

WUTC Staff - Recommendations

I would actually like to see this section address each part of the mechanism (DSM test, etc.), and whether it should be retained, dropped, modified... (12/12/08 draft edits)

Response: Per discussion with Avista and the Advisory Group, Titus will not judge the appropriateness of aspects of the Mechanism. Titus will answer the Evaluation Plan questions and provide salient information and opinions where appropriate. Authority and responsibility to determine if various aspects of the Mechanism should be retained, dropped or modified lies with the Commission, the Advisory Group and Avista.

Public Counsel – Recommendations

Proportionality of Mechanism – placeholder for possible discussion of this issue, either in this section or in the Executive Summary. (12/29/08 Draft Edits)

Response: Per discussion with Avista and the Advisory Group, Titus will provide summary data related to the proportionality of the Mechanism for examination by the Commission, Advisory Group and Avista

Public Counsel – Question C5-A

This response does not indicate if any of the relevant electric DSM programs have changed, and if so, how. (12/29/08 Draft Edits)

Public Counsel – Table C5-A

Are these insulation measures only applicable to gas heated homes? Are similar measures applied to electric fueled homes? If so, have they had similar changes?

Response: Evaluation of electric DSM programs is outside the scope of this report; however, Titus recognizes the complexity of evaluating Avista’s electric and gas DSM programs independently and recommends that “incidental” savings and usage be included in the examination of the Mechanism.

Public Counsel – Table C9-F

The new table should include, for each program, including “every little bit”: expenditures and therm savings (if any). (12/29/08 Draft Edits)

Response: A detailed review of DSM expenditures and their results is outside the scope of this report.

Public Counsel – Question G7

Consider reference to Tables J-8, B, C and D, which show how anticipated growth in customer levels will more than offset declining usage per customer trends, causing overall therm sales to continue to grow. (12/29/08 Draft Edits)

Response: The data referenced above is included in the report and available to the Commission, Advisory Group and Avista for use in examining the Mechanism.

WUTC Staff – Question K2-A

I think it would be more accurate to say that there was a significant increase between 2004 and 2005 which may have been driven by the return of the program balance to positive. Then, the difference between 2005 and 2006 could be attributed to decoupling. How would you account for the decrease between 2006 and 2007? (12/29/08 Draft Edits)

Response: Titus cannot determine causality.

Exhibit 11 Additional Questions and Concerns

Public Counsel – Schedule 101 C/I Savings

Public Counsel identified DSM savings claims in Schedule 101 that exceeded the annual target usage of Schedule 101 customers and suggested removing this savings from Schedule 101. (2/3/09 email)

Response: Avista provided a summary document explaining why these accounts were on Schedule 101. Titus feels any adjustment to the rate schedule allocations is beyond the scope of this Evaluation.

Avista – New Customer Adjustment (Question G3)

Avista provided an alternate methodology for removing the new customer adjustment in lieu of Titus' approach to remove the new customer adjustment completely from the mechanism calculations. (12/15/08 email)

Response: Titus felt a straight-forward removal of the New Customer Adjustment was the best response to the question.

Avista – Multi-year DSM Present Value Methodology

Avista provided a methodology to place a value on the multi-year savings (therms) produced by DSM savings. (3/20/09 email)

Response: Titus feels this issue should be addressed with the WUTC to set an approved standard for evaluating the multi-year value of DSM Savings and DSM lost margin. Therefore, Titus will not present any methodology for doing this in the Evaluation Report.

WUTC Staff – Executive Summary Format

WUTC Staff preferred the Draft #3/Draft #4 format for the Executive Summary with appropriate modification of the questions and data. (Status Calls #8 and #9)

Response: Avista and the remainder of the Advisory Group desired a more traditional, limited Executive Summary. Public Counsel emphasized that Avista and the Advisory Group can then take the data provided in the report to develop their own questions and positions. Titus followed the direction of the majority.

Exhibit 12 Decoupling Calculation Summary

From Deferral Reports

	Jan, 2007 to June, 2007	July, 2007 to June, 2008	July, 2008 to Dec, 2009	Totals
Schedule 101 Billed Therms	76,502,006	123,787,511	35,356,578	235,646,095
Deduct New Customer Usage(1)	(5,576,339)	(6,271,045)	(1,231,181)	(13,078,565)
Deduct Prior Month Unbilled Therms	(47,219,925)	(76,710,880)	(22,022,269)	(145,953,074)
Add Current Month Unbilled Therms	37,589,672	76,625,172	36,546,514	150,761,357
Add Weather Adjustment	2,735,794	(2,090,162)	(680,094)	(34,463)
Weather Adj Calendar Therms	64,031,207	115,340,596	47,969,548	227,341,351
Weather Adj Calendar Therms	64,031,207	115,340,596	47,969,548	227,341,351
Less Test Year Therms	65,886,492	119,099,680	50,983,551	235,969,723
Therm Difference	(1,855,285)	(3,759,085)	(3,014,003)	(8,628,372)
Times Current Margin Rate per Therm				
Revenue Excess (Shortfall)	(\$382,096)	(\$753,349)	(\$655,485)	(1,790,930)
	90%	90%	90%	3
Deferred Revenue Account Entry	(\$343,886)	(\$678,014)	(\$589,937)	(1,611,837)
Proportion of New Customer Usage to Schedule 101 Usage	7.29%	5.07%	3.48%	5.55%

Note: GRC dropped New Customer Usage by 50%+.

Table 6 - Cumulated Decoupling Calculation Factors	
	Therms
Current Year Schedule 101 Billed Therms	235,646,095
New Customer Usage Adjustment	(13,078,565)
Net Unbilled Difference	4,808,283
Weather Correction Adjustment	(34,463)
Current Year Schedule 101 Adjusted Billed Therms	227,341,351
Test Year Schedule 101 Billed Therms	235,969,723
Usage Difference	(8,628,372)