

**AVISTA CORP.  
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	07/21/2009
CASE NO:	UE-090134 & UG-090135	WITNESS:	Jon Powell
REQUESTER:	NWEC	RESPONDER:	Jon Powell
TYPE:	Data Request	DEPT:	Energy Solutions
REQUEST NO.:	NW – 010	TELEPHONE:	(509) 495-4047
		EMAIL:	jon.powell@avistacorp.com

**REQUEST:**

Please identify and describe the most significant obstacles, if any, that Avista expects to face as it plans its investments in cost-effective gas efficiency programs through the near future (*i.e.*, through 2015). Assuming that the Commission approves the Mechanism on a permanent basis, how if at all would the Mechanism assist or hinder Avista in addressing these obstacles?

**RESPONSE:**

As stated in the Company's response NW-009, the most significant challenges and disincentives to the pursuit of enhancements to the natural gas DSM portfolio include successfully obtaining the necessary customer response, and delivering a total resource cost-effective natural gas portfolio (without undue impact upon Avista's tariff rider surcharge, the tariff rider balance or an unacceptable impact upon the Company's ability to earn its authorized return due to lost margin).

A decoupling mechanism would mitigate the financial impact to the utility of being successful in reducing customer usage through DSM programs or through non-programmatic energy savings behaviors.

Please also see the Company's response to NW-005.