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**VIA: Electronic Mail**

October 31, 2012

David Danner  
Executive Director and Secretary  
Washington Utilities & Transportation Commission  
1400 S. Evergreen Park Dr. SW  
P.O. Box 40128  
Olympia, WA 98504-0128

Re: Joint proposal for a consistent approach to NEEA claimed conservation savings for the 2014-2015 Biennial Conservation Plan Compliance with Order No. 03 in UTC Docket No. UE-100176

On September 13, 2012, the Washington Utilities and Transportation Commission (UTC or Commission) issued Order 03, Docket No. UE-100176 regarding Avista Corporation's (Avista or the Company) conservation achievement for the 2010-2011 biennium. The Commission required<sup>1</sup> Avista, in collaboration with PacifiCorp and Puget Sound Energy (PSE), to develop a consistent approach to claiming conservation savings associated with Northwest Energy Efficiency Alliance (NEEA) and to provide a joint proposal of a consistent approach to the Commission no later than November 1, 2012.

Avista met multiple times with PSE and PacifiCorp in September to discuss a consistent approach to reporting NEEA savings. The first meeting was intended to become familiar with each utility's individual approach to the treatment of NEEA savings in the establishment of the 2012-2013 biennium conservation forecasts. The objective was to seek acceptable compromises in order to arrive at a proposal for a consistent approach that would work for all three companies. As a result some common objectives were identified as being necessary in order to develop a consistent approach:

1. To maintain focus on NEEA investments and contributions; and
2. To minimize the short term performance risk associated with forecasting energy savings resulting from market changes not under the direct control of utilities.

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<sup>1</sup> See ¶52, ordering paragraph (4) of Order 03, Docket UE-100176.

At the next meeting a leading proposal had emerged and parties began to focus on a more detailed proposal such as moving beyond individual utility consistency to regional consistency, appropriate baselines, and consideration of NEEA's role in the proposal.

In a final meeting held in early October, parties reviewed a draft proposal with representatives from NEEA. The objective of this meeting was to seek NEEA's advice, and support for the proposed approach. As a result of this meeting, further refinements were made to more accurately align with the approach taken by the Northwest Power and Planning Council. The final result should simplify NEEA's forecasting, tracking and reporting processes by reducing the number of utility requests and providing more uniformity to baseline tracking and reporting requirements.

Included as an attachment, please find a copy of a joint proposal for a consistent approach to claiming NEEA savings (Joint Utility Proposal).

If you have any concerns or questions, please contact Bruce Folsom at (509) 495-8706 or via e-mail at [bruce.folsom@avistacorp.com](mailto:bruce.folsom@avistacorp.com).

Sincerely,

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

Linda Gervais  
Manager, Regulatory Policy  
Avista Utilities  
509-495-4975  
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Attachment