



Rob McKenna

**ATTORNEY GENERAL OF WASHINGTON**

800 Fifth Avenue #2000 • Seattle WA 98104-3188

April 29, 2010

**VIA HAND DELIVERED ON 4/29/10**

David Danner  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Pk. Dr. S.W.  
PO Box 47250  
Olympia, WA 98504-7250

2010 APR 29 AM 9:01  
RECEIVED  
OFFICE OF THE ATTORNEY GENERAL  
WASHINGTON STATE

**Re: Avista's Revised Compliance Report Concerning Its Ten-Year Conservation Potential and Biennial Conservation Target, Docket No. UE-100176**

Dear Mr. Danner:

Enclosed please find Public Counsel's recommended modification to Commission Staff's proposed conditions for approval of Avista's 10-Year achievable conservation potential and biennial conservation target in the aforementioned docket.

Sincerely,

Lea Daeschel  
Regulatory Analyst  
Public Counsel  
206-464-6380

**PUBLIC COUNSEL RECOMMENDED MODIFICATIONS TO STAFF'S PROPOSED  
CONDITIONS FOR APPROVAL OF AVISTA'S 10-YEAR ACHIEVABLE  
CONSERVATION POTENTIAL AND  
BIENNIAL CONSERVATION TARGET  
DOCKET UE-100176,  
STAFF MEMO ATTACHMENT 2**

6) Program Design Principles

- c. Incentives and Conservation Program Implementation - Company shall offer a cost-effective portfolio of programs in order to achieve all available conservation that is cost-effective, reliable, and feasible. Programs and incentives may be directed to consumers, retailers, designers, installers, wholesalers, etc., as appropriate for measures that save energy. Incentive levels and other methods of encouraging energy conservation need to be periodically examined to assure that they do not have the effect of unnecessarily restricting or limiting the acquisition of all achievable energy conservation. Incentive levels also need to be reviewed to make sure they are not larger than necessary or directed predominantly to free riders (customers that would have invested in the efficiency measures regardless of any rebate or incentives.) As programs continue and higher levels of market penetration are achieved, there is a diminishing return on investment which needs to be considered for program continuance. Company shall consult with the Advisory Group to identify, pursue, and evaluate all achievable cost-effective conservation measures and programs.