

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

AVISTA CORPORATION'S d/b/a  
AVISTA UTILITIES,

2020-2021 Biennial Conservation Plan

DOCKET UG-190920

ORDER 01

APPROVING AVISTA'S 2021  
ANNUAL CONSERVATION REPORT

**BACKGROUND**

- 1 On August 18, 2011, Washington Utilities and Transportation Commission (Commission) entered Order 05, Order Granting Joint Motion for Clarification on Forum for Resolution of DSM Prudence, in Dockets UE-110976 and UG-110877 (Order 05). Order 05 granted a joint motion filed by Avista Corporation d/b/a Avista Utilities, (Avista or Company) Commission staff (Staff) and the Public Counsel Unit of the Washington State Attorney General's Office. The joint motion requested that the Commission clarify that Avista's electric and natural gas demand side management (DSM) programs and expenditures will be reviewed for prudence in a process separate and distinct from the Company's general rate cases.
- 2 On June 10, 2020, the Commission entered Order 09 in Dockets UE-110976 and UG-110877, Amending Order 05 (Order 09). Order 09 held that Avista was no longer required to file testimony and supporting evidence with its biennial June 1 filing required by Order 05 to demonstrate the prudence of its DSM programs and expenditures.
- 3 On May 31, 2022, Avista filed its Annual Conservation Report in Docket UG-190920 as required by Order 05. The Company's gas conservation target achievements as outlined in the Company's Annual Conservation Report are summarized in the table below:

<b>Year</b>	<b>Natural Gas Conservation Goal</b>	<b>Natural Gas Conservation Achievement</b>	<b>% of Gas Goal Achieved</b>
2021	781,459	792,955	101.5%

- 4 Avista remained in a "critical" stage of its emergency operating plan throughout 2021, which limited all meetings to virtual, all public interactions to "critical only," and all

employee work to remote.<sup>1</sup> Avista's capacity to acquire energy efficiency was severely limited in 2020-2021, as was customers' ability to seek out and pay for energy efficiency. Avista responded with incentive revisions, no-touch equipment drop-offs/pick-ups, and enhanced virtual programming, such as remote virtual audits. Thanks to Avista's efforts, it achieved its targets. Commission staff (Staff) therefore recommends that the Commission approve Avista's Annual Conservation Report.

5      Additionally, Staff submits that no further action is required concerning the prudence of Avista's natural gas DSM expenditures at this time.<sup>2</sup>

### DISCUSSION AND DECISION

6      Avista is required to engage in a collaborate process to identify cost-effective natural gas conservation measures.<sup>3</sup> Order 05 provides an effective process for prudency review of DSM programs and expenditures by requiring a separate June 1 biennial filing; allowing for discovery immediately upon the June 1 filing; and allowing any person to request that the Commission set the matter for adjudication. By Order 09, the Commission removed the requirement for Avista to file testimony and supporting evidence to demonstrate the prudence of its natural gas DSM expenditures.

7      The Commission also may, at its discretion, set the matter for adjudication. However, "Order 05 does not require the Commission to make a finding of prudence, or lack thereof, if no person requests an adjudication."<sup>4</sup>

8      The Commission agrees with Staff's recommendation and finds that Avista's Annual Conservation Report complies with Order 05. No party has requested an adjudication, and no further action is required at this time.

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<sup>1</sup> *In the Matter of Petition of Avista Corporation, d/b/a Avista Utilities*, Dockets UE-190912 and UG-190920, Annual Conservation Report at pages 5-6 (May 31, 2022).

<sup>2</sup> The Commission has stated that "Order 05 does not require the Commission to make a finding of prudence, or lack thereof, if no person requests an adjudication." *In the Matter of Petition of Avista Corporation, d/b/a Avista Utilities*, Dockets UE-110876 and UG-110877, Order 09 at ¶ 4 (June 10, 2020); *see also In the Matter of Petition of Avista Corporation, d/b/a Avista Utilities*, Docket UG-171090, Order 01 at ¶ 18 (Sept 10, 2020) (finding Avista's Annual Conservation Report in compliance with Order 05 in Dockets UE-110976 and UG-110877).

<sup>3</sup> RCW 80.28.380.

<sup>4</sup> *In the Matter of Avista Corporation's Natural Gas Demand-Side Management Programs and Expenditures During 2012 and 2013*, Docket UG-141215 Order 01 (July 31, 2014).

### FINDINGS AND CONCLUSIONS

- 9 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies.
- 10 (2) Avista is a natural gas company and a public service company subject to Commission jurisdiction.
- 11 (3) On May 31, 2022, Avista filed its Annual Conservation Report, which showed that Avista had exceeded its conservation target.
- 12 (4) Order 05 provides a process for reviewing the prudence of Avista's natural gas DSM programs and expenditures by requiring a separate June 1 biennial filing; allowing for discovery immediately upon the June 1 filing; and allowing any person to request that the Commission set the matter for adjudication.
- 13 (5) No party or person requested that the matter be set for adjudication.
- 14 (6) Staff recommends that the Commission find that Avista's Annual Conservation Report complies with Order 05.
- 15 (7) This matter came before the Commission at a recessed open meeting on July 26, 2022.
- 16 (8) After reviewing Avista's Annual Conservation Report and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Company's Annual Conservation Report complies with the requirements of Order 05.

### ORDER

#### THE COMMISSION ORDERS:

- 17 (1) Avista Corporation's d/b/a Avista Utilities 2021 Annual Conservation Report complies with the Conditions of Order 05 and is therefore APPROVED.

- 18 (2) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it.

DATED at Lacey, Washington, and effective July 26, 2022.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVE W. DANNER, Chair

ANN E. RENDAHL, Commissioner