

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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| WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, |) | |
| |) | |
| Complainant, |) | |
| |) | |
| v. |) | Docket Nos. UE-110876/UG-110877 |
| |) | (Consolidated) |
| AVISTA CORPORATION d/b/a AVISTA UTILITIES, |) | |
| |) | |
| Respondent. |) | |

EXHIBIT NO. ____ (MCD-3)

ICNU STUDY OF ACTIVE DECOUPLING PROGRAMS

February 24, 2012

| Utility (Jurisdiction) | ROE Reduction? | Comments | Citation |
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| United Illumination (Connecticut) | Yes 100bp | Decoupling was one of six cumulative factors considered in this ROE reduction. | <u>Re United Illumination</u> , CDPUC Docket No. 08-07-04, Order on Reconsideration at 267-268 (June 3, 2009) |
| Idaho Power (Idaho) | Unknown | Decoupling adopted outside of rate case. Commission delayed determination of proper ROE adjustment until the next rate case filing. | <u>See Re Investigation of Financial Disincentives</u> , IPUC Case No. IPC-E-04-15, Order No. 30267 at 15 (March 12, 2007) |
| PEPCO (District of Columbia) | Yes 50bp | Initial 10.15 ROE adjusted down 50 points to reflect BSA. | <u>Re PEPCO</u> , D.C.PUC, Case No. 1076, Order No. 15864 at 18 (June 23, 2010) |
| HECO (Hawaii) Subsidiaries Hawaii Electric and Maui Electric | Yes Unspecified | Commission set ROE at low end of range in rate case (10%) to reflect full decoupling. Declined to specify ROE if it had not approved decoupling. | <u>Re Hawaii Electric Co.</u> , HPUC Docket No. 2008-0083, Final Order at 35 (Dec. 29, 2010) |
| BGE (Maryland) | Yes 50bp | Full Decoupling | <u>Re Baltimore Gas & Elec.</u> , MPSC Case No. 9230, Order No. 83907 at 106 (March 9, 2011) |
| Pepco (Maryland) | Yes 50bp | Full Decoupling | <u>Re Pepco</u> , MPSC Case No. 9217, Order No. 83516 at 93 (Aug. 6, 2010) |
| WMECO (Mass.) | Yes unspecified | The Commission established a greatly reduced ROE (9.6%) that reflected the required reduction due to decoupling but refused to disclose what ROE would have been without decoupling, preferring to make a judgment based on the totality of the Company's circumstances. | <u>Re Western Massachusetts Energy and Comm. Co.</u> , DPU 10-70 at 407-08 (Jan. 31, 2011) |
| Consumers Energy Co. (Michigan) | No | Pilot program; will be reviewed for viability. Numerous non-decoupling revenue trackers discontinued at the time, raising business risk. | <u>Re Consumers Energy Co.</u> , MPSC Case No. U-16191 at 47-48 (Nov. 4, 2010) |

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| Detroit Edison (Michigan) | No | Declined to lower ROE because decoupling is a pilot program. Will consider adjusting ROE if pilot is continued. | <u>Re Detroit Edison Co.</u> , MPSC Case No. 15768 at 33 (Jan. 11, 2010) |
| Sierra Pacific (Nevada) | No | Commission disregarded staff's comparisons to gas ROE reductions as irrelevant to electric decoupling and stated it would not reduce ROE <i>at that time</i> . (Nevada has reduced both gas utilities' ROE 25 pts for decoupling). | <u>Re Sierra Pacific</u> , NPSC Docket No. 10-6001 at 39 (Dec. 23, 2010) |
| Central Hudson Gas and Electric (New York) | Yes 10bp | Full Decoupling | <u>Re Central Hudson Gas and Electric</u> , NYSPSC Case No. 08-E-0887, Order Adopting Recommended Decision at 65 (June 22, 2009) |
| Con Edison (New York) | Yes 10bp | Per class, Weather adjusted. | <u>Re Con Edison</u> , NYSPSC Case No. 07-E-0523 |
| PGE (Oregon) | Yes 10bp | | <u>Re PGE</u> , OPUC Docket No. UE-197, Order No. 09-020 (Or. Jan. 22, 2009) |
| CVPS | Yes 50bp | CVPS' decoupling program is not full decoupling, but is in the context of a larger AFOR that accomplishes similar goals. | <u>See Re Central Vermont Public Service</u> , VPSB Docket No. 7191, Order Approving Modification to Methodology (Vt. Jan. 8, 2009) |
| Green Mountain Power (Vermont) | Yes 50bp | GMP's decoupling program is not full decoupling, but is in the context of a larger AFOR that accomplishes similar goals. | <u>Re Green Mountain Power</u> , VPSB Docket No. 7175, Order at 5-6 (Dec. 22, 2006) |
| WPSC (Wisconsin) | No | Decoupling implemented through adoption of stipulation. No data observed regarding whether ROE considerations were part of settlement | <u>Re Wisconsin Public Service Corporation</u> , PSCW Docket No. 6690-UR-119, Final Order (Dec. 30, 2008) |