

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

AVISTA CORPORATION, d/b/a
AVISTA UTILITIES

For an Order to Amend Natural Gas
Energy Efficiency Prudence Review
Process

DOCKETS UE-110876 and
UG-110877 (*Consolidated*)

ORDER 09

AMENDING ORDER 05

BACKGROUND

- 1 By Order 05, Order Granting Joint Motion for Clarification on Forum for Resolution of DSM Prudence, entered August 18, 2011, (Order 05) the Washington Utilities and Transportation Commission (Commission) 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 (Public Counsel). 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 May 26, 2020, Avista filed a Petition for an Order to Amend Natural Gas Energy Efficiency Prudence Review Process (Petition). In its Petition, Avista requests that the Commission issue an Order removing the requirement to file testimony and supporting evidence to demonstrate the prudence of its natural gas DSM expenditures, as mandated in the approved Memorandum of Understanding in Dockets UE-110876 and UG-110877. Avista submits that the collaborative process as required by the Energy Independence Act (EIA) is sufficient for the electric DSM prudence review and that these more simple compliance filings should also be sufficient for the review of natural gas DSM programs and expenditures. Avista further explains that the parties prefer to treat Avista's natural gas DSM filings as simple compliance filings, unless there is a request for adjudication, and that this more closely aligns with the process for electric DSM filings.
- 3 Avista represents that no party opposes its Motion.

DECISION

- 4 We find that Avista’s proposed modifications to Order 05 are reasonable and consistent with both Commission’s objectives underlying that order and the changes to the Commission’s DSM filing process approved in Order 05. Avista is required to engage in a collaborative process to identify cost-effective natural gas conservation measures.¹ Order 05 then provides an effective process for prudence 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. 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.”² In light of this process, we agree with Avista’s position that it is not necessary for the Company to file testimony and supporting evidence with its June 1 DSM filing before any person has requested that the Commission set the matter for adjudication. Accordingly, filing testimony and evidence is no longer necessary for Avista when seeking a prudence review of DSM programs and expenditures, and we thus remove that requirement.
- 5 We therefore amend Order 05 to remove the requirement that Avista file testimony and supporting evidence to demonstrate the prudence of its natural gas DSM expenditures, as mandated in the approved Memorandum of Understanding in Dockets UE-110876 and UG-110877.

ORDER

THE COMMISSION ORDERS that Order 05 is amended as follows:

- 6 (1) Avista Corporation, d/b/a Avista Utilities, is no longer obligated to file testimony and supporting evidence with the biennial, June 1 filing required by Order 05, to demonstrate the prudence of its demand side management programs and expenditures.
- 7 (2) The Commission maintains jurisdiction over the subject matter and the parties to this proceeding to effectuate the provisions of this Order.

¹ RCW 80.28.380.

² *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).

8 Dated at Olympia, Washington, and effective June 10, 2020.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ Michael Howard
MICHAEL HOWARD
Administrative Law Judge

NOTICE TO PARTIES: A party who objects to any portion of this Order must file a written objection within ten (10) calendar days after the service date of this Order, pursuant to WAC 480-07-430 and WAC 480-07-810. The service date appears on the first page of the order in the upper right-hand corner. Absent such objection, this Order will control further proceedings in this matter, subject to Commission review.