



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
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January 5, 2018

**NOTICE OF INTENT TO ADDRESS FUEL CONVERSION PROGRAM IN PENDING
GENERAL RATE CASE PROCEEDING**

RE: *Washington Utilities and Transportation Commission v. Avista Corporation, d/b/a Avista Utilities, Dockets UE-170485 and UG-170486 (consolidated)*
AND
Avista Corporation, d/b/a Avista Utilities, Report identifying its ten-year achievable electric conservation potential and its electric biennial conservation target, Docket UE-171091

TO ALL PARTIES:

On May 26, 2017, Avista Corporation, d/b/a Avista Utilities (Avista or Company) filed with the Washington Utilities and Transportation Commission (Commission) a general rate case (GRC) in Dockets UE-170485 and UG-170486 (consolidated). The evidentiary hearing in these dockets is set to begin on January 16, 2018, and to continue through January 18, 2018, as necessary.

On October 27, 2017, the Commission's regulatory staff (Staff) filed response testimony in the GRC proceeding recommending the Commission discontinue the Company's electric to natural gas fuel conversion program for residential customers.

On November 1, 2017, Avista filed with the Commission its 2018-2019 Biennial Conservation Plan (BCP) in Docket UE-171091. The Commission will hear comments from the Company and other stakeholders related to Avista's proposed BCP at its recessed Open Meeting on January 10, 2018.

On December 1, 2017, Staff filed comments in Docket UE-171091 restating its recommendation to discontinue Avista's residential fuel conversion program and further recommending that the Commission discontinue the Company's fuel conversion program for multi-family new construction.

On December 19, 2017, the Commission issued a Notice of Potential Ex Parte Communication inviting all parties to the GRC, along with other interested persons, to participate in the Commission's review of Avista's BCP at its recessed Open Meeting on January 10th.

Although we recognize that the open meeting typically is an appropriate forum for addressing the Company's BCP and related conservation budget issues, addressing the Company's fuel conversion program for both residential and multi-family new construction customers in the context of the pending GRC proceeding will result in a more fully developed record, where the issue of the continuation of the fuel conversion program has been raised, including opportunities for cross-examination and briefing on these issues.

Accordingly, the Commission gives notice that it prefers to address Avista's fuel conversion program in the GRC proceeding, and intends to allow parties who wish to present additional testimony on the multi-family new construction portion of the program to do so orally at hearing. Parties and other interested persons are invited, but not required, to file written comments related to this issue in the GRC dockets, and the Commission will admit into the evidentiary record Staff's Open Meeting Memo, as well as comments previously filed by all parties in the BCP docket.

RAYNE PEARSON
Administrative Law Judge