

AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/15/2009
CASE NO:	UE-090134 & UG-090135	WITNESS:	Jon Powell
REQUESTER:	Public Counsel	RESPONDER:	Bruce Folsom
TYPE:	Data Request	DEPT:	Energy Solutions
REQUEST NO.:	PC - 519	TELEPHONE:	(509) 495-8706
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REQUEST:

RE: Avista's July 31, 2009 Filing in Docket Nos. UE-082272 & UG-090052

The filing referenced above includes the following information regarding Avista's natural gas tariff rider for Washington:

Ending balance (as of 6/30/09)	\$2,469,752
Estimated tariff rider revenue to be collected by EOY 2010	(7,043,000)
Estimated tariff rider expense through EOY 2010	4,499,179
Net activity through EOY 2010	(2,543,821)
Projected tariff rider balance at year end 2010	\$(74,069)

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- Please confirm that the information shown above indicates that as of June 30, 2009 Avista had a "negative balance" of almost \$2.5 million, indicating that in recent years Avista's natural gas tariff rider expenses have exceeded revenues collected from ratepayers.
- Please provide the most current balance available for the Washington natural gas tariff rider account.
- Please indicate whether Avista continues to project that for the period July 1, 2009 through December 31, 2010, the company will spend 64% of total tariff rider revenues on Washington natural gas DSM program expenses, while the remaining 36% of tariff rider revenues will be devoted to a write-down of the negative balance.
- Please explain whether Avista continues to project that the Washington natural gas tariff rider account will be positive (company owes ratepayers) by the end of 2010, as shown in this filing. If the company's projection has changed significantly, please provide an explanation and reason for any changes.

e. The filing referenced above includes the following notation:

“*** This projection does not take into account additional spending that may result from the implementation of stimulus program start-up.”

Please provide a detailed explanation of this notation. Please explain why any potential activities and expenses related to stimulus programs would impact the tariff rider accounts (either electric or gas). In addition, please provide an explanation as to what, if any, stimulus funding Avista either has sought or plans to apply for related to demand side management or any activities that might affect the electric or gas DSM tariff rider accounts. Please consider this an ongoing request and provide updates as appropriate during this proceeding.

RESPONSE:

a. Yes, that is correct.

b. The Washington natural gas tariff rider balance as of August 31, 2009 is a negative \$3,304,895.

c. No, natural gas is a very seasonal commodity and those projected percentages change with each month's update (please refer to the monthly email updates Public Counsel receives from the Company). With August results included, the Company is projecting that expenditures will be 53% less than what is being collected through the Washington natural gas tariff rider.

d. Yes, the Company continues to project a positive Natural Gas Tariff Rider by the end of 2010.

~~e. The American Recovery and Reinvestment Act (ARRA or Economic Stimulus) is making funding available for a wide range of energy efficiency measures and in many different forms. In Washington there are three general sources of energy efficiency ARRA funding: Energy Efficiency and Community Block Grants (EECBG), low-income weatherization, and the State Energy Program (SEP, which has several subcomponents). The EECBG funding is allocated to cities, counties and tribes. The low-income funding is distributed to local community action agencies, and the SEP funding is a competitive grant process and may be allocated to utilities, community-based organizations and other entities.~~

Avista has submitted a Home Energy Audit and Revolving Loan Fund ARRA proposal to the Washington Department of Commerce (formerly known as the Department of Community, Trade and Economic Development, or CTED) submitted on August 17th, 2009. Avista understands that notification of successful proposals will occur in late September.

The referenced footnote in the question is an indication of the uncertainty regarding the final nature of the proposal at the time of the filing was made, uncertainty regarding the acceptance or rejection of the proposal and uncertainty regarding additional customer response to Avista's DSM programs as a consequence of the possible implementation of the proposed program.