

**Date of Responses: September 2, 2009**

**Persons who Prepared Responses: Nancy L. Glaser and Nancy Hirsh**

**Witness who is Knowledgeable about Responses: Nancy L. Glaser**

**AVISTA GRC 2009**

**Docket Nos. UE-090134 and UG-090135, UG-060518**

**NWEC Response to Public Counsel Request No. 1-2**

PC-1 Please provide paper copies of your responses to all data requests for information from all parties in this action to:

Simon J. ffitch  
Office of the Attorney General  
Public Counsel  
800 Fifth Avenue #2000  
Seattle, WA 98104-3188

**Please provide electronic copies of all documents to Simon ffitch, [simonf@atg.wa.gov](mailto:simonf@atg.wa.gov), Stefanie Johnson, [stefaniej@atg.wa.gov](mailto:stefaniej@atg.wa.gov), and to Carol Williams, [carolw@atg.wa.gov](mailto:carolw@atg.wa.gov).**

**PC-1 NWEC Response:** NWEC will provide paper and/or electronic copies of responses to all data requests to the parties listed above.

PC-2 At pages 12-13 of Exhibit No. (NGL-1T), Ms. Glaser proposes a revised array of "Fixed Cost Margin Deferred" percentages that range from 30% to 70%, depending upon future Avista DSM performance set forth in the table on page 12. Please describe all work performed by or for Ms. Glaser to determine the 30 % minimum value, the 70% maximum value and all intermediate data points in the table and provide complete copies of all reports, analyses, workpapers, calculations, projections, and spreadsheet files relied in developing such amounts.

**PC-2 NWEC Response:** The Titus evaluation report, Table 1, is referenced and discussed on pages 8 and 9 of Ms. Glaser's testimony. In 2009 that Table shows that Avista's deferrals under the mechanism were roughly 4 times WA 101 DSM lost margin. As Ms. Glaser believes that deferrals under a decoupling mechanism should not be limited to programmatic lost margin, she rounded up to 30% for a starting point in the chart. Rounding up is appropriate as it acknowledges that the education, general energy efficiency marketing and information programs offered by the company stimulate efficiency investments and conservation actions that are not directly tied to programmatic offerings by the company. Increasing the % deferral by 10% with each increased level of performance up to greater than 120% achievement on two DSM targets resulted in a maximum of 70%. These increases provide incentives for desired performance. No other reports, analyses, workpapers, calculation sheets, projections and/or spreadsheets were relied upon in developing the 30% to 70% range.