

September 22,2009

RONALD L. ROSEMAN  
ATTORNEY  
2011 14<sup>TH</sup> AVE. EAST  
SEATTLE, WA.98112  
ronaldroseman@comcast.net

**Via Us Mail**

David Danner

Executive Secretary  
Washington Utilities & Transportation  
Commission  
P. O. Box 47250  
1300 S. Evergreen Park Drive, S.W.  
Olympia, WA 98504-7250

**Re: WUTC v AVISTA Corporation Dockets Nos. UE-090134, UG-090135, UG-060518  
consolidated**

Dear Mr. Danner:

Enclosed for filing please find the original and seventeen (17) copies of the Cross- Exhibits for Kelly Norwood (KON 1-3X), John Powell (JP 1-4X), Brian Hirschhorn (BJH 1-X), and Nancy Glaser (NLG 1-X) for The Energy Project in UG-060518 for an order authorizing implementation of a natural gas decoupling mechanism and to record accounting entries associated with the mechanism.

Very truly yours,

Ronald L. Roseman

cc:

**AVISTA CORP.  
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/28/2009
CASE NO:	UE-090134 & UG-090135	WITNESS:	Jon Powell
REQUESTER:	Energy Project	RESPONDER:	Patrick Ehrbar
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	EP - 028	TELEPHONE:	(509) 495-8620
		EMAIL:	pat.ehrbar@avistacorp.com

**REQUEST:**

Did the Company accept and agree to implement all recommendations from members of the Decoupling Advisory Group?

**RESPONSE:**

Members of the Advisory Group provided significant input into the Decoupling Evaluation process. These members had opinions that were both inline and not inline with the Company's views. As such, Avista did accept some, but not all recommendations from members of the Advisory Group. For example, as noted in the testimony of Mr. Powell and Mr. Ncrwood, the Company agrees with Titus and other members of the Advisory Group that better measurement and evaluation of programmatic DSM needs to be implemented on a going forward basis.

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

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

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

**AVISTA GRC 2009**

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

**NWEC Response to Energy Project Request No. 21**

**EP-21. With regard to your proposal for a limited income efficiency target to be added into the Decoupling Mechanism, describe what target you think appropriate and the criteria that would used to establish such a target.**

**EP-21 NWEC Response:** An ambitious yet achievable limited income target should be informed by the Company's Integrated Resource Plan, the community action agencies that deliver services to the limited income community and the Triple E Board. At a minimum the target should be based upon an appropriate delivery rate for weatherization services in the service territory. The community action agencies should be consulted as the number of houses needing services and the delivery rate given adequate and appropriate funding. The limited income efficiency target should go beyond delivery of weatherization services and should include appliance and equipment service and upgrades and low-cost/no-cost measure installation. It is always more efficient to do full house efficiency delivery during one visit than trying to limit services to weatherization. The limited income target should be set based upon need not budget. The presumption should be that funding from the rider will be adequate to meet the savings target.

**AVISTA CORP.  
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/29/2009
CASE NO:	UE-090134 & UG-090135	WITNESS:	Jon Powell
REQUESTER:	Energy Project	RESPONDER:	Jon Powell
TYPE:	Data Request	DEPT:	Energy Solutions
REQUEST NO.:	EP-027	TELEPHONE:	(509) 495-4107
		EMAIL:	jon.powell@avistacorp.com

**REQUEST:**

Does the Company believe that most limited income customers could take advantage of the Company's rebate program that provides at most a 50 % rebate on energy efficiency appliances?

**RESPONSE:**

All limited income residential customers do qualify to participate in the Company's residential rebate programs. These programs provide an incentive of up to 50% of the incremental measure cost, with the customer generally being expected to fund the remaining amount.

The Company does recognize that limited income customers are less likely to have the financial resources to participate in these programs, regardless of how cost-effective the investment may be. The Company's limited income portfolio, which funds 100% of the incremental measure cost, is intended to offer some mitigation of this barrier to participation.

Since we do not collect income information on participants in the Company's non-limited income rebate programs, we do not know how many of those participants are limited income or what percentage of the limited income population have participated in our past or current rebate programs.

**AVISTA CORP.  
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/28/2009
CASE NO:	UE-090134 & UG-090135	WITNESS:	Jon Powell
REQUESTER:	Energy Project	RESPONDER:	Patrick Ehrbar
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	EP - 026	TELEPHONE:	(509) 495-8620
		EMAIL:	pat.ehrbar@avistacorp.com

**REQUEST:**

How many limited income customers were able to participate in the Company's gas rebate program outside the limited income energy efficiency program?

**RESPONSE:**

Please see Table K14-B which shows, for the period May 1, 2006 through April 30, 2007, that out of the estimated 17,648 limited income customers, roughly 2,740 customers participated in LIRAP and 2,664 participated LIHEAP (non-duplicative), and 215 participated in limited income DSM. It is unknown how many of these customers also participated in non-limited income programs, for reasons noted in the Company's response to EP-024.

**AVISTA CORP.  
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/29/2009
CASE NO:	UE-090134 & UG-090135	WITNESS:	Jon Powell
REQUESTER:	Energy Project	RESPONDER:	Jon Powell
TYPE:	Data Request	DEPT:	Energy Solutions
REQUEST NO.:	EP-034	TELEPHONE:	(509) 495-4107
		EMAIL:	jon.powell@avistacorp.com

**REQUEST:**

Is it Mr. Powell's testimony that all limited income customers will see the results of the bill savings directed to the several hundred customers that receive the limited income program measures in any year?

**RESPONSE:**

The immediate impact of the bill savings will be confined to the participating customer and not to the limited income population at large.

Given that the life of efficiency measures installed under the limited income portfolio is up to 30 years or more, the number of customers obtaining benefit from the limited income portfolio in any particular year is not limited to those who have completed installations in that year alone. The limited income beneficiaries would instead be the much larger class of customers who have participated in prior years and continue to derive benefits from the measures installed under the program.

**AVISTA CORP.  
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/28/2009
CASE NO:	UE-090134 & UG-090135	WITNESS:	Jon Powell
REQUESTER:	Energy Project	RESPONDER:	Patrick Ehrbar
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	EP - 030	TELEPHONE:	(509) 495-8620
		EMAIL:	pat.ehrbar@avistacorp.com

**REQUEST:**

How many limited income customers participated in the limited income gas energy efficiency program during the time period of the decoupling pilot and for the years 2006, 2007, 2008?

**RESPONSE:**

The Company is able to determine which customers are limited income (i.e. income at or below 125% of the federal poverty guidelines) if they participate in LIHEAP, LIRAP or limited income DSM.

For the years in question, the limited income customers that participated in the Company's limited income natural gas energy efficiency programs, which are administered by CAP agencies, are:

- 2006 - 232
- 2007 - 205
- 2008 - 248

**AVISTA CORP.  
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	9/18/2009
CASE NO:	UE-090134 & UG-090135	WITNESS:	Kelly Norwood/Jon Powell
REQUESTER:	Public Counsel	RESPONDER:	Bruce Folsom
TYPE:	Data Request	DEPT:	Energy Solutions
REQUEST NO.:	PC – 520	TELEPHONE:	(509) 495-8706
		EMAIL:	bruce.folsom@avistacorp.com

**REQUEST:**

At page 34, Mr. Norwood's Rebuttal Testimony refers to Avista's "Every Little Bit program and states, "The facts are that the Every Little Bit program does lead to customers undertaking no-cost and low-cost steps towards being more efficient." Please identify with specificity each study, report, analyses, projection and other document relied upon to support this assertion and provide complete copies of same.

**RESPONSE:**

The Company has not conducted statistically valid surveys of our customers as to their adoption of no-cost and low-cost measures resulting from the Every Little Bit campaign. For that reason we do not claim energy savings from these non-programmatic measures in the DSM acquisition quantified in our Triple-E Report or submitted as part of the evaluation of the decoupling mechanism pilot.

In our most recent customer survey of those who completed the home energy audit, more than three-quarters of the customers surveyed (77%) initiated some action based on the Home Energy Center recommendations. Actions most cited by respondents where no-cost or low-cost solutions were implemented included:

- turn off lights not being used (63%)
- turn off electronic equipment not being used (56%)
- lowered thermostat settings (48%)
- use compact fluorescent bulbs (47%)
- avoid heating unoccupied areas (39%)
- wash full loads of dishes (39%)
- air dry dishes (38%)
- don't over dry clothes (37%)
- lowered water heater temperature (33%)
- maintain heating system (22%)
- installed weather-stripping or caulking to control air leakage (22%)



**AVISTA CORP.  
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	9/18/2009
CASE NO:	UE-090134 & UG-090135	WITNESS:	Kelly Norwood
REQUESTER:	Public Counsel	RESPONDER:	Patrick Ehrbar
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	PC - 521	TELEPHONE:	(509) 495-8620
		EMAIL:	pat.ehrbar@avistacorp.com

**REQUEST:**

At page 34, line 17, Mr. Norwood's Rebuttal Testimony states, "In 2008, 18,467 customers completed the Home Energy Audit." Please provide the following information:

- a) How many of these 18,467 customers participated in one or more of the Company's DSM programs and rebates?
- b) How many of these customers have undertaken no-cost or low-cost steps toward being more efficient?
- c) Please identify with specificity each study, report, analyses, projection and other document relied upon to support your response to part (a) of this data request and provide complete copies of same.
- d) Please identify with specificity each study, report, analyses, projection and other document relied upon to support your response to part (b) of this data request and provide complete copies of same

**RESPONSE:**

a. First, the Company incorrectly stated that 18,467 completed the Home Energy Audit; this was the total number of customers who visited the audit tool. In 2008, 12,477 customers completed the basic home energy audit.

For the 18,467 customers who visited the Home Energy Audit, only 12,624 entered in their account number. Of this number, 1,181 customers (9.4%) participated in the Company's DSM rebate programs. Please note that the 1,181 customers received a rebate any time between 2008 and present, given that there may be a lag effect from when the customer completed an audit, and then completed a rebated DSM measure. Please see "PC\_DR\_521-Attachment A.xls", which is being provided in electronic format only, for the list of accounts.

- b. See the Company's response to PC-520.
- c. See (a) above.
- d. See the Company's response to PC-520.

**AVISTA CORP.  
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/27/2009
CASE NO:	UE-090134 & UG-090135	WITNESS:	Brian Hirschhorn
REQUESTER:	Energy Project	RESPONDER:	Patrick Ehrbar
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	EP - 031	TELEPHONE:	(509) 495-8620
		EMAIL:	pat.ehrbar@avistacorp.com

**REQUEST:**

Using the proposed Limited Income test as proposed by Mr. Norwood in his rebuttal testimony at pages 47-49, please calculate the impact of this proposal on the deferral amount in the Decoupling Mechanism if it had been in effect since the onset of the decoupling mechanism, showing all calculations and formula in an electronic spreadsheet.

**RESPONSE:**

The proposed Limited Income test would have had no impact on the deferral amounts – the Company met the proposed test (5% of savings would come from limited income customers) in 2006, 2007, and 2008 as shown below:

<b>Natural Gas DSM Savings</b>			
	<u>2006</u>	<u>2007</u>	<u>2008</u>
Limited Income Natural Gas DSM Savings	78,729	81,342	102,438
Total Natural Gas Savings	1,156,619	1,502,194	1,888,061
% of Portfolio from LI	6.81%	5.41%	5.43%

Please note that the limited income savings comes from the Company's limited income programs that are administered by CAP agencies, and therefore have incomes at or below 125% of the federal poverty guidelines.

Please see EP\_DR\_031-Attachment A for the electronic spreadsheet.