

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)
OF AVISTA CORPORATION REQUESTING) **CASE NOS. AVU-E-11-02**
APPROVAL TO DECREASE ITS ENERGY) **AVU-G-11-03**
EFFICIENCY PUBLIC PURPOSE RIDER)
SCHEDULES 91 AND 191) **NOTICE OF APPLICATION**
))
) **NOTICE OF**
) **MODIFIED PROCEDURE**
))
) **ORDER NO. 32278**

YOU ARE HEREBY NOTIFIED that on June 13, 2011, Avista Corporation filed an Application requesting approval of a decrease in its Energy Efficiency Rider for both electric and gas service, Schedules 91 and 191. The funds collected by the Energy Efficiency Riders are used to maintain and operate programs to encourage customers to use electricity and natural gas efficiently. The Company estimates that in 2010 the energy efficiency programs resulted in electric savings of 68,911 MWh and natural gas savings of 1.9 million therms. Application, p. 2. Approximately 77% of the energy efficiency budget was provided to customers as rebates (residential customers) and financial incentives for commercial and industrial customers. Avista’s residential programs include high efficiency equipment, electric to natural gas conversions, compact fluorescent lights, “second” refrigerator recycling, weatherization, rooftop chimney dampers, and educational assistance through community events. Application, p. 3.

YOU ARE FURTHER NOTIFIED that the Application states that at their present levels, the revenue produced by the Energy Efficiency Riders exceeds the requirements necessary to fund the DSM programs during the next 12 months. As of the close of April 2011, Avista’s Idaho electric DSM tariff rider balance is \$723,240, and the Idaho natural gas DSM tariff rider balance is \$897,808. Application, p. 2. At the beginning of 2010 the tariff riders were underfunded by \$11.9 million. In the past year, however, increases to the tariff riders have provided for adequate revenue to both fund current energy efficient operations and to eliminate the unfunded balance. Accordingly, Avista proposes that the rider tariff rates be decreased. Specifically, Avista proposes that the rider for electric service, Schedule 91, be decreased by 0.3% of billed rates, resulting in a decrease of \$750,000 in annual rider revenue. Avista proposes

that the tariff rider for natural gas service, Schedule 191, be decreased 4.2% of billed rates, resulting in a decrease of \$2.9 million in collected rider funds. Avista proposes that the new rates be effective August 1, 2011.

YOU ARE FURTHER NOTIFIED that the Commission has determined that the public interest may not require a formal hearing in this matter and will proceed under Modified Procedure pursuant to Rules 201 through 204 of the Idaho Public Utilities Commission’s Rules of Procedure, IDAPA 31.01.01.201-204. The Commission notes that Modified Procedure and written comments have proven to be an effective means for obtaining public input and participation.

YOU ARE FURTHER NOTIFIED that any person desiring to state a position on this Application may file a written comment in support or in opposition with the Commission within 21 days from the service date of this Notice. The comment must contain a statement of reasons supporting the comment.

YOU ARE FURTHER NOTIFIED that persons desiring a hearing must specifically request a hearing in their written comments. Written comments concerning this Application may be mailed to the Commission and Idaho Power at the addresses reflected below:

Commission Secretary
Idaho Public Utilities Commission
PO Box 83720
Boise, Idaho 83720-0074

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

David J. Meyer
Vice President and Chief Counsel
Regulatory and Governmental Affairs
Avista Corporation
PO Box 3717
1411 E. Mission Avenue, MSC-13
Spokane, WA 99220-3717
E-Mail: david.meyer@avistacorp.com

Bruce Folsom
Senior Manager, Energy Efficiency
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1411 E. Mission Avenue, MSC-15
Spokane, WA 99220-3717
E-mail: bruce.folsom@avistacorp.com

These comments should contain the case caption and case number shown on the first page of this document. Persons desiring to submit comments via e-mail may do so by accessing the Commission’s home page located at www.puc.idaho.gov. Click the “Comments and Questions”

icon, and complete the comment form, using the case number as it appears on the front of this document. These comments must also be sent to Avista at the e-mail addresses listed above.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the time limit set, the Commission will consider this matter on its merits and enter its Order without a formal hearing. If written comments are received within the time limit set, the Commission will consider them and, in its discretion, may set the same for formal hearing.

YOU ARE FURTHER NOTIFIED that the Application and supporting workpapers have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices or on the Commission’s web site at www.puc.idaho.gov by clicking on “File Room” and then “Electric Cases.”

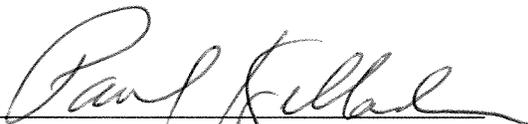
YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission’s jurisdiction under Title 61 of the Idaho Code and that the Commission may enter any final order consistent with its authority under Title 61.

YOU ARE FURTHER NOTIFIED that all proceedings in this matter will be conducted pursuant to the Commission’s Rules of Procedure, IDAPA 31.01.01.000 et seq.

ORDER

IT IS HEREBY ORDERED that Avista Corporation’s Application requesting a decrease to its Energy Efficiency Public Purpose Rider Schedules 91 and 191 be processed by Modified Procedure, IDAPA 31.01.01.201-.204. Persons interested in submitting written comments in this matter must do so within 21 days from the service date of this Notice.

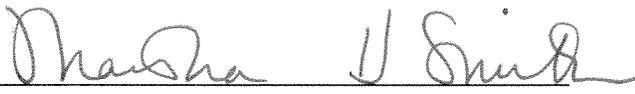
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 28th
day of June 2011.



PAUL KJELLANDER, PRESIDENT



MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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