

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF AVISTA)
CORPORATION'S APPLICATION TO) **CASE NOS. AVU-E-12-07**
REVISE ITS ELECTRIC ENERGY)
EFFICIENCY RIDER ADJUSTMENT,)
SCHEDULE 91.) **NOTICE OF APPLICATION**
)
) **NOTICE OF**
) **MODIFIED PROCEDURE**
)
) **ORDER NO. 32621**

On July 31, 2012, Avista Corporation dba Avista Utilities applied to the Commission for an Order allowing Avista to decrease Schedule 91 rates (the "Energy Efficiency Rider Adjustment").¹ The Company asks that the case be processed under Modified Procedure, and that the changes take effect on October 1, 2012. *See* Application.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that with this Application, Avista requests authority to adjust the demand-side management (DSM) portion of Schedule 91 ("Energy Efficiency Rider Adjustment"). *Id.* at 1. Schedule 91 funds DSM programs described in Schedule 90. *Id.* at 4. Avista says its proposed changes will reduce billed electric rates by 1.3%. *Id.* at 1.

YOU ARE FURTHER NOTIFIED that Avista says for 2010-2011, its energy efficiency programs and measures resulted in electric savings of 59,002 MWh (115% of the Integrated Resource Plan (IRP) goal) in Idaho. *Id.* at 2.

YOU ARE FURTHER NOTIFIED that Avista says the revenue expected to be generated by the Schedule 91 surcharge at its present level, would exceed the requirements necessary to fund the DSM activities during the next 12-month cycle, including adjustments for the disposition of rider imbalances. Through June 2012, Avista's Idaho electric DSM tariff rider balance was \$316,231 (Company owes ratepayer). *Id.* 2-3.

¹¹ Avista filed a single, combined Application in Case Nos. AVU-E-12-07 and AVU-G-12-06. The Commission subsequently consolidated AVU-G-12-06 with another case, AVU-G-12-03. *See* Notice of Application, Case Nos. AVU-G-12-03 and AVU-G-12-06. Accordingly, the instant case, AVU-E-12-07 will be processed by itself.

YOU ARE FURTHER NOTIFIED that the Company says only 55% of the currently projected electric DSM tariff rider surcharge revenue is needed to fund the expected DSM operations for the 12 months following October 1, 2012, given a projected balance of \$886,761 at the end of September 2012. Thus, the Company requests a 45% reduction in the electric DSM tariff rider surcharge effective October 1, 2012. The Company says the surcharge reduction would not impact the Company's ability to fund and pursue cost-effective DSM resources; it will merely adjust revenues to move the tariff rider balance towards zero. *Id.* at 3.

YOU ARE FURTHER NOTIFIED that the Company says in 2011 its electric DSM portfolio was cost-effective with Total Resource Cost (TRC) test and Program Administrator Cost (PAC) ratios of 1.80 and 2.88. *Id.* at 6-7.

YOU ARE FURTHER NOTIFIED that the Company says the proposed reduction to Schedule 91 rates and charges will decrease the Company's estimated annual revenue by \$3,464,000 (a decrease of 1.3% of billed rates). The Company says the proposed rate decrease will have an average monthly bill impact to residential electric customers using 939 kWh of \$1.05. *Id.* at 7.

NOTICE OF MODIFIED PROCEDURE

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

YOU ARE FURTHER NOTIFIED that anyone wanting to state a position on the Application may file a written, supporting or opposing comment with the Commission **no later than September 17, 2012**. The comment must explain why the commenter supports or opposes the Application. Persons who want a hearing must specifically ask for a hearing in their written comments. Written comments concerning the Application shall be mailed to the Commission and the parties at the addresses reflected below:

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

Linda Gervais
Manager, Regulatory Policy
Avista Corporation
PO Box 3727
1411 E. Mission Avenue, MSC-29
Spokane, WA 99220-3727
E-mail: linda.gervais@avista.corp

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

David J. Meyer, Esq.
Vice President and Chief Counsel for
Regulatory and Governmental Affairs
Avista Corporation
PO Box 3727
1411 E. Mission Avenue, MSC-113
Spokane, WA 99220-3727
E-mail: david.meyer@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 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, supporting workpapers and exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and other workpapers are also available 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 matter will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code and specifically

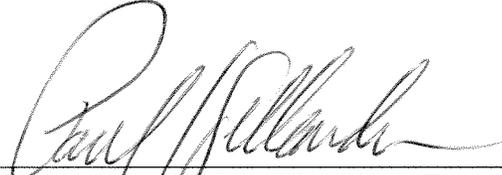
Idaho Code §§ 61-118, 61-119, 61-502, and 61-503. The Commission may enter any final Order consistent with its authority under Title 61.

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 this case will be processed under Modified Procedure. Interested persons may file comments no later than September 17, 2012.

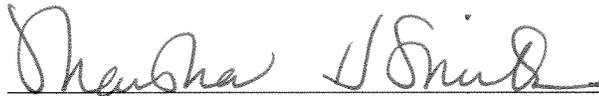
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this 15th day of August 2012.



PAUL KJELLANDER, PRESIDENT



MACK A. REDFORD, COMMISSIONER



MARSHA H. SMITH, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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