

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. AVU-E-16-06
OF AVISTA CORPORATION FOR A)
FINDING OF PRUDENCE FOR 2014-2015) NOTICE OF APPLICATION
EXPENDITURES ASSOCIATED WITH)
PROVIDING ELECTRIC ENERGY) NOTICE OF
EFFICIENCY SERVICE IN THE STATE OF) INTERVENTION DEADLINE
IDAHO)
ORDER NO. 33617

On September 14, 2016, Avista Corporation dba Avista Utilities filed an Application requesting the Commission to issue an Order finding that the Company's electric energy efficiency expenditures from January 1, 2014 through December 31, 2015, were prudently incurred. The Application provides an overview of the Company's energy efficiency activities and their cost-effectiveness. The Application includes supporting testimony and the Company's Idaho 2014 and 2015 Demand-Side Management (DSM) Annual Reports. It also includes an evaluation of the Company's electric energy efficiency program, performed by a third-party contractor, Nexant, and supporting testimony. The Company requests that the Application be processed by Modified Procedure.

Generally, a utility incurs energy efficiency or DSM expenses by developing and operating programs that are designed to reduce or shift customers' energy consumption and improve their efficient use of energy. The Commission will allow the utility an opportunity to recover its energy efficiency expenses through rates if the Commission finds that the expenses were prudently incurred. However, if the Commission finds any of the expenses were not prudently incurred, then it will not allow the utility to recover those expenses through rates, and the disallowed expenses will be borne by the utility's shareholders and not by customers. In this case, the Company's prudently-incurred expenses are recovered through a tariff rider.

With this Order, the Commission provides Notice of the Application and sets a deadline for interested persons to intervene as parties in the case.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Company states that its energy efficiency programs are based on providing a financial incentive, or rebate, for cost-effective efficiency measures taken by customers. The Company provides information to customers about the
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rebates it offers through a variety of forums: broadcast media, on-line, radio, and print advertising, and its web site, which also provides on-line energy analysis tools. In addition, the Company provides direct outreach, such as workshops and outreach from Company representatives, for residential and non-residential customers. For residential customers, the Company offers standard programs for rebates. For non-residential customers, the Company offers standard programs or site-specific programs. The Company's Application and the accompanying testimony provides additional detail on the programs offered to residential and non-residential customers and on other energy efficiency stakeholder involvement.

YOU ARE FURTHER NOTIFIED that the Company also helps fund the activities of the Northwest Energy Efficiency Alliance, which is an organization that focuses on "using a regional approach to obtain electric efficiency through the transformation of markets for efficiency measures and services." Application at 3. The Company states that these programs provide resource acquisition opportunities "that would otherwise be either unachievable or more costly in the absence of regional cooperation." *Id.*

YOU ARE FURTHER NOTIFIED that the Company states that it provides about \$700,000 annually for low-income weatherization and \$50,000 annually for conservation education in Idaho. The Company states that the program is administered by local community action agencies in its Idaho service territory.

YOU ARE FURTHER NOTIFIED that the Company states that during 2014-2015, it spent \$9,999,742 on Idaho electric DSM programs. Johnson Direct at 11.

YOU ARE FURTHER NOTIFIED that the Company states that targets for energy efficiency are set in its Integrated Resource Planning (IRP) process. The Company compared its energy efficiency results for 2014 and 2015 to the IRP targets for those years. For 2014, the Company's energy efficiency savings of 16,292 MWh exceeded the target of 15,330 MWh. *Id.* at 4. For 2015, the Company's savings of 14,789 MWh were less than the target of 15,666 MWh. *Id.* Over the combined 2014-2015 period, the savings of 31,081 MWh met the target of 30,996 MWh. *Id.*

YOU ARE FURTHER NOTIFIED that the Company states that its programs have been very successful and that they are cost-effective from both a Total Resource Cost (TRC) test perspective and a Program Administrator Cost (PAC) test perspective. The Company states "[p]articipating customers have benefited through lower bills. Non-participating customers have

benefited from the Company having acquired lower cost resources as well as maintaining the energy efficiency message and infrastructure for the benefit of our service territory.” Application at 4.

YOU ARE FURTHER NOTIFIED that the Company states that as of December 31, 2015, its electric tariff rider balance was \$431,784 underfunded (dollars expended exceeded dollars collected through the tariff rider) and its gas tariff rider balance was \$60,768 underfunded. Johnson Direct at 13.

YOU ARE FURTHER NOTIFIED that the Company requests a finding by the Commission that its electric energy efficiency expenditures from January 1, 2014 through December 31, 2015, were prudently incurred.

YOU ARE FURTHER NOTIFIED that the Company requests that this matter be processed by Modified Procedure.

YOU ARE FURTHER NOTIFIED that the Application and its exhibits have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. These documents are also available on the Commission’s web site at www.puc.idaho.gov. Click on the “File Room” tab at the top of the page, then select “Electric Cases” and click on the case numbers as shown on the front of this document.

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. 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.*

NOTICE OF INTERVENTION DEADLINE

YOU ARE FURTHER NOTIFIED that persons who wish to intervene in this matter to obtain the rights of a party (e.g., to file formal discovery, or present evidence or cross-examine witnesses at a hearing) must file a Petition to Intervene with the Commission pursuant to the Commission’s Rules of Procedure 72 and 73, IDAPA 31.01.01.072 and .073. **Persons who wish to intervene as a party must file a Petition to Intervene no later than 14 days from the service date of this Order.** Such persons shall also provide the Commission Secretary with their electronic mail address to facilitate further communications in this matter. After the intervention deadline runs, the Commission Secretary shall issue a Notice of Parties that

identifies the parties and assigns exhibit numbers to each party in this proceeding. Once the Notice of Parties has issued, Commission Staff shall informally confer with the Company and any intervening parties about how to further process this case, and shall then report back to the Commission on a proposed case schedule.

YOU ARE FURTHER NOTIFIED that persons who would like to present their views without parties' rights of participation and cross-examination are not required to intervene but may present their views by submitting written comments to the Commission.

YOU ARE FURTHER NOTIFIED that the following persons are designated as the Company's representatives in this matter:

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ORDER

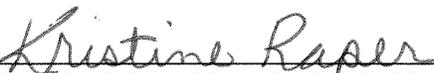
IT IS HEREBY ORDERED that persons desiring to intervene in this matter shall file a Petition to Intervene no later than 14 days from the service date of this Order. Once the deadline for Petitions to Intervene has passed, the Commission Secretary shall prepare and issue a Notice of Parties.

IT IS FURTHER ORDERED that, after the Notice of Parties has issued, Commission Staff shall confer with the parties regarding a procedural schedule for this matter.

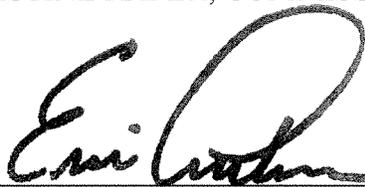
DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this
day of October 2016.



PAUL KJELLANDER, PRESIDENT

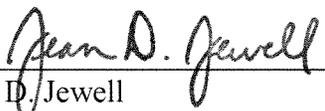


KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Jean D. Jewell
Commission Secretary

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