

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION) CASE NO. AVU-E-17-06
OF AVISTA CORPORATION TO)
INCREASE ITS ENERGY EFFICIENCY) NOTICE OF APPLICATION
RIDER ADJUSTMENT SCHEDULE 91)
) NOTICE OF
) MODIFIED PROCEDURE
)
) ORDER NO. 33842

On August 1, 2017, Avista Corporation applied to the Commission to increase its “Energy Efficiency Rider” in tariff Schedule 91 (tariff rider), which would increase electric customers’ rates by 1.6%.¹ Avista uses the funds collected by the tariff rider “to maintain and operate programs to encourage customers to use electricity and natural gas efficiently.” Order No. 32278 at 1. The tariff rider is designed to recover Company costs associated with providing electric efficiency services to customers, Order No. 30918 at 1, and to “match future revenue with budgeted [energy efficiency] expenditures,” Application at 1. The Company states that the purpose of this filing is to “establish tariff riders that are sufficient to fund the following twelve months of [Demand Side Management (DSM) programs] as well as amortize any tariff rider imbalance, thus minimizing the amount of future under- or over-collections.” *Id.*

Avista asks that its Application be processed by Modified Procedure, and requests an effective date of October 1, 2017. The Commission now issues this Notice of Application and Notice of Modified Procedure setting a comment deadline.

NOTICE OF APPLICATION

YOU ARE HEREBY NOTIFIED that the Schedule 91 tariff rider funds DSM programs described in Avista’s Schedule 90, and is applied only to electric efficiency service (as opposed to natural gas programs, which are funded through Schedule 191). *Id.* at 3; *see* Order No. 32650 at 1. Schedule 90 includes about 30 programs that provide rebates for residential and non-residential energy efficiency measures, such as appliance, HVAC, lighting, maintenance,

¹ The Company filed a revision to the Application on August 4, 2017. This Order refers to the Application, as revised, as the “Application.”

weatherization and sustainable building measures; and conversion from electric to natural gas space and water heating. Application at 3-4.

YOU ARE FURTHER NOTIFIED that the Company also helps fund programs through the Northwest Energy Efficiency Alliance, which promotes market transformation for energy efficiency through a regional approach. *Id.* at 4. In addition, the Company provided about \$750,000 for low-income weatherization in 2016 through a program administered by the Community Action Partnership Association of Idaho. *Id.*

YOU ARE FURTHER NOTIFIED that, in determining the cost-effectiveness of its DSM programs, the Company applies tests including the Total Resource Cost (TRC) test and the Utility Cost Test (UCT). *Id.* at 5. The TRC measures the net costs of a program based on the total costs of the program, including the participants' and utility's costs. *Id.*, n. 1. The UCT measures the net costs of a program based on the costs incurred by the program administrator (including incentive costs) and excluding any net costs incurred by the participant. *Id.*

YOU ARE FURTHER NOTIFIED that the Company reports that, as of June 30, 2017, the tariff rider account was underfunded by about \$9.7 million. *Id.* at 2. According to the Company, this underfunded amount was primarily due to the Company's "nonresidential T-LED market transformation" lighting incentive program exceeding budget by \$9 million. *Id.*

YOU ARE FURTHER NOTIFIED that the Company reports that its "forecasted expenditures aligned closely with the actual tariff rider revenues throughout 2016," but that "actual expenditures began trending upwards in April," with a significant steady increase from September through the end of the year. *Id.* at 2-3. However, the Company reports that "actual energy savings matched the upward trend in expenditures and the Company exceeded its annual energy savings goal by 32,630,677 kWhs." *Id.* at 3. The Company proposes "to increase rates collected in Schedule 91 (the tariff rider) to bring the forecasted tariff balance close to \$0 by September 30, 2020, [and] provide an appropriate level of funding for ongoing DSM operations." *Id.*

YOU ARE FURTHER NOTIFIED that the Company estimates its proposal would increase the Company's annual revenue by about \$3.9 million, and increase the average monthly bill of a residential electric customer using 910 kWh by about \$1.37 (or 1.6%). *Id.* at 5.

YOU ARE FURTHER NOTIFIED that the following table shows the proposed increase to the tariff rider for various customer classes:

SCHEDULE	EXISTING RATE	PROPOSED RATE
Residential Customers – Sch. 1	.245¢ per kWh	.395¢ per kWh
General Service – Sch. 11 & 12	.271¢ per kWh	.427¢ per kWh
Large General Service – Sch. 21 & 22	.209¢ per kWh	.340¢ per kWh
Extra Large Customers – Sch. 25	.142¢ per kWh	.219¢ per kWh
Clearwater Paper – Sch. 25P	.131¢ per kWh	.203¢ per kWh
Pumping Service – Sch. 31 & 32	.240¢ per kWh	.396¢ per kWh

Attachment B to Application.

YOU ARE FURTHER NOTIFIED that the Application, the Company’s proposed customer notice, and copies of Avista’s current and proposed Schedule 91 tariff sheets have been filed with the Commission and are available for public inspection during regular business hours at the Commission offices. The Application and attachments 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, scroll down to the type of “Open Electric Cases,” and then click on the case number as shown on the front of this document.

NOTICE OF MODIFIED PROCEDURE

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 **no later than September 14, 2017**. The comment must contain a statement of reasons supporting the comment. 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 Avista at the addresses reflected below:

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

Street Address for Express Mail:

472 W. Washington Street
Boise, ID 83702-5918

David Meyer
Vice President and Chief Counsel for
Regulatory & Governmental Affairs
Linda Gervais
Senior Manager – Regulatory Policy
Avista Corporation
PO Box 3727
1411 E. Mission Ave., MSC-27
Spokane, WA 99220-3727
E-mail: david.meyer@avistacorp.com
linda.gervais@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 "Case Comment or Question Form" under the "Consumers" tab, and complete the form using the case number as it appears on the front of this document. These comments must also be sent to the Company 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.

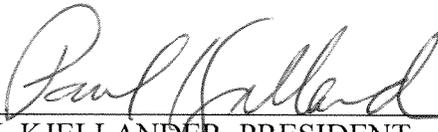
YOU ARE FURTHER NOTIFIED that all proceedings in this case will be held pursuant to the Commission's jurisdiction under Title 61 of the Idaho Code, and specifically *Idaho Code* § 61-503. The Commission may enter any final Order consistent with its authority under Title 61.

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.*

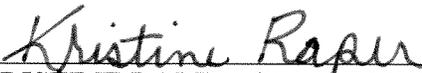
ORDER

IT IS HEREBY ORDERED that this case be processed under Modified Procedure, Rules 201-204 (IDAPA 31.01.01.201-.204). Interested persons shall have until September 14, 2017, to file written comments.

DONE by Order of the Idaho Public Utilities Commission at Boise, Idaho this ^{16th}
day of August 2017.



PAUL KJELLANDER, PRESIDENT



KRISTINE RAPER, COMMISSIONER



ERIC ANDERSON, COMMISSIONER

ATTEST:



Diane M. Hanian
Commission Secretary

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