



**Avista Corp.**

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*Wednesday, January 4, 2023 4:58:09 PM*  
*IDAHO PUBLIC*  
*UTILITIES COMMISSION*

January 4, 2023

Jan Noriyuki, Secretary  
Idaho Public Utilities Commission  
11331 W. Chinden Blvd. Bldg. 8, Ste. 201-A  
Boise, Idaho 83714

**RE: Case Nos. AVU-E-22-13 and AVU-G-22-05 – Reply Comments of Avista Utilities**

Dear Ms. Noriyuki:

Pursuant to the Notice of Modified Procedure issued by the Idaho Public Utilities Commission (IPUC or Commission) on November 4, 2022,<sup>1</sup> Avista Corporation, dba Avista Utilities (Avista or Company), respectfully submits the following reply comments in response to the written comments of Commission Staff (Staff), as filed on December 20, 2022.

Avista appreciates Staff's review of its 2020-2021 Energy Efficiency Program (Program) and the finding that nearly all of the Company's expenses were prudent. In general, the Company finds Staff's comments to be reasonable and serve to further strengthen Avista's Program. We appreciate Staff recognizing the cohesiveness of Avista's Cost-Effectiveness (CE) model, which was created and designed to provide more clarity and transparency on cost-effectiveness analysis. We look forward to further improving our process based on Staff's recommendations.

Staff noted issues with the Company's contracted CE analysis, specific to errors in both the third-party and in-house workpapers. Staff has recommended an adjustment of \$38,883 of expenses related to the contracted Cost-Effectiveness Analysis. This total is comprised of \$29,524 related to the CE analysis for the electric program and \$9,359 related to the natural gas program, as shown in Table No. 1 below.

**Table No. 1 – CE Analysis Costs by Evaluator**

Vendor	Sector	Electric	Natural Gas	Total
Evaluator 1	Non-Residential/MFDI	\$27,998	\$7,251	\$35,249
Evaluator 2	Residential/Low Income	\$1,526	\$2,108	\$3,634
<b>Total</b>	<b>Portfolio</b>	<b>\$29,524</b>	<b>\$9,359</b>	<b>\$38,883</b>

<sup>1</sup> Order No. 35587.

Avista acknowledges Staff's comments regarding the third-party CE analysis and that errors were not discovered ahead of time. However, Avista believes that the third-party CE analysis provided the Company with useful feedback regarding the assessment of its Program design, in addition to providing key insights used in making Program adjustments, therefore meeting the requirements of being used and useful. Yes, the Company understands that no errors in any work is the gold standard, and we strive for that in our work and in the work of outside vendors. That said, it is our view that the issues of the third-party consultant did not affect the ultimate results. For example, the proposed disallowance of \$27,998 in electric DSM costs results from one error by that particular consultant, an overestimation of \$176,477 of costs out of a universe of \$3.6 million of reviewed costs.

Again, we do appreciate Staff's thorough review in this matter. The Company however does not think it is appropriate to disallow these third-party costs, given the majority of the disallowance is due to a single error that ultimately did not affect the overall cost-effectiveness results of our programs.

Please direct any questions regarding this filing to Ryan Finesilver at (509) 495-4873.

Sincerely,

***/s/ Patrick Ehrbar***

Patrick Ehrbar  
Director of Regulatory Affairs