

Avista Corp.
1411 East Mission PO Box 3727
Spokane, Washington 99220-3727
Telephone 509-489-0500
Toll Free 800-727-9170

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Corp.

2006 SEP 14 AM 9:50

IDAHO PUBLIC
UTILITIES COMMISSION

September 13, 2006

Jean Jewell, Secretary
State of Idaho
Idaho Public Utilities Commission
Statehouse
Boise, ID 83720

AVU-5-06-04

Re:

Dear Ms. Jewell:

Enclosed for filing with the Commission is an original and 7 copies of the following tariff sheet:

Second Revision Sheet 191 Canceling First Revision Sheet 191

Schedule 191 is designed to recover the costs incurred by the Company associated with providing natural gas energy efficiency services to customers.

The Company requests that the Commission approve the proposed tariff changes included in this filing to be effective October 13, 2006.

Enclosed are copies of the existing tariff Schedule 191 with the old rate crossed out and with the proposed rate underlined, an Application that provides information supporting the proposed tariff, a notice to customers that will be posted in the Company's offices and included as an insert in customer bills, a copy of a press release, and a supporting workpaper.

Please direct any questions on this matter to myself at (509) 495-4723 or Linda Gervais at (509) 495-4975.

Sincerely,

A handwritten signature in cursive script, appearing to read "Brian Hirschhorn".

Brian Hirschhorn
Manager, Retail Pricing
Avista Corporation
brian.hirschhorn@avistacorp.com

Enclosures

1 KELLY O. NORWOOD
2 VICE PRESIDENT of
3 STATE AND FEDERAL REGULATION
4 AVISTA CORPORATION
5 P.O. BOX 3727
6 1411 EAST MISSION AVENUE
7 SPOKANE, WASHINGTON 99220-3727
8 TELEPHONE: (509) 495-4267
9 FACSIMILE: (509) 495-8851
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IDAHO PUBLIC
UTILITIES COMMISSION

13 **BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION**

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15
16 IN THE MATTER OF THE APPLICATION)
17 OF AVISTA CORPORATION TO)
18 INCREASE THE COMPANY'S)
19 ENERGY EFFICIENCY TARIFF)
20 SCHEDULE 191)
21
22
23
24

CASE NO. AVU-~~06~~-8-06-04
APPLICATION

I. INTRODUCTION

25 Avista Corporation doing business as Avista Utilities (hereinafter Avista or
26 Company), at 1411 East Mission Avenue, Spokane, Washington, respectfully requests that the
27 Commission approve the proposed increase in the Schedule 191 rates, "Energy Efficiency
28 Rider Adjustment Schedule."

29 Schedule 191 is designed to recover the costs incurred by the Company associated
30 with providing natural gas efficiency services to customers. The proposed increase in the
31 Schedule 191 rate is necessary to continue to fund ongoing natural gas-efficiency programs
32 consistent with Avista's most recent natural gas Integrated Resource Plan (IRP) and to
33 amortize a deficiency balance within the natural gas Demand Side Management (DSM) tariff
34 rider resulting from the Company's response to higher than expected customer demand for

1 services. The proposed increase in revenues for DSM will not result in a change in profits for
2 the Company.

3
4 The Company requests that this filing be processed under the Commission's Modified
5 Procedure rules.

6 Communications in reference to this Application should be addressed to:

7
8 Kelly O. Norwood
9 Vice President
10 State and Federal Regulation
11 Avista Corporation
12 1411 E. Mission Avenue, MSC-13
13 Spokane, Washington 99220
14 Phone: (509) 495-4267
15 Fax: (509) 495-8856
16

David J. Meyer
Vice President and Chief Counsel of
Regulatory and Governmental Affairs
Avista Corporation
1411 E. Mission Avenue, MSC-13
Spokane, Washington 99220
Phone: (509) 495-4316
Fax: (509) 495-8851

17 II. PROPOSED REVISIONS

18
19 Avista's 2006 IRP established a target of 1,062,000 therms (well over four times the
20 goal originally established for programs funded through Schedule 191). Customers continue
21 to look to the Company's DSM programs for assistance in responding to increased retail
22 natural gas prices. Existing and planned programmatic expenditures are far exceeding
23 revenues.

24 The current natural gas DSM tariff rider level has not been adjusted since February
25 15th, 2001. As of the close of August 2006 Avista's natural gas DSM tariff rider balance for
26 Idaho is a negative \$1.15 million (expenditures have exceeded costs). The proposed tariff
27 rider increase is estimated to eliminate the current liability balance by the close of the second
28 quarter of 2008. The proposed increase in the Schedule 191 rates is a 1.4% increase,

1 expressed as a percentage of present gas revenue. The proposed rates will result in a 1.75%
2 total charge for DSM.

3 All Schedule 191 funds will remain within the natural gas efficiency programs either
4 offered by the Company directly or through designated contractors, or as part of cooperative
5 regional natural gas efficiency programs. The Company will continually assess the demand
6 for services and program financial balances and propose revisions to Schedule 191 as
7 necessary. Schedule 191 funds support DSM programs described in Schedule 190. These
8 programs include the following measures:

- 9
- 10 • Appliance measures
 - 11 • Assistive Technologies measures
 - 12 • Control measures
 - 13 • HVAC measures
 - 14 • Industrial measures
 - 15 • Maintenance measures
 - 16 • Monitoring measures
 - 17 • New Technologies
 - 18 • Regional measures
 - 19 • Resource Management measures
 - 20 • Shell measures
 - 21 • Sustainable Building measures
- 22

23 As shown in the Company's DSM Reports, Avista's conservation programs are cost-
24 effective (see for example, the January 1 2005 through December 31, 2005 External Energy
25 Efficiency Board Report). The increased funding requested herein will expand the
26 availability of the programs under the existing cost-effectiveness tests.

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Dated at Spokane, Washington this 13th day of September 2006.

BY Kelly Sawood

Kelly O. Norwood
Vice President of
State and Federal Regulation

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I, Brian Hirsch Korn, being first duly sworn on oath, deposes and says: That he is the Manager, Retail Pricing, at phone number (509) 495-4723, for Avista Corporation and makes this verification for and on its behalf of said corporation, being thereto duly authorized;

That he has read the foregoing filing, knows the contents thereof, and believes the same to be true.

Brian Husickon

SIGNED AND SWORN to before me this 13th day of September, 2006, by Brian Hirsch Korn.




NOTARY PUBLIC in and for the State of
Washington, residing at Spokane.
Commission Expires: 2/22/10

AVISTA CORPORATION
d/b/a Avista Utilities

SCHEDULE 191

ENERGY EFFICIENCY RIDER ADJUSTMENT - IDAHO

APPLICABLE:

To Customers in the State of Idaho where the Company has natural gas service available. This Energy Efficiency Rider or Rate Adjustment shall be applicable to all retail customers taking service under Schedules 101, 111, 112, 121, 122, 131, and 132. This Rate Adjustment, ~~set below at 0.50% of retail rates,~~ is designed to recover costs incurred by the Company associated with providing energy efficiency services and programs to customers. The Company may, at its discretion to match revenue under this schedule with demand for services under Schedule 190, reduce or increase this charge on an annual basis. Any change in this charge is subject to Commission approval and its review of the previous year expenditures under Schedule 190 and determinations with regard to any revenue carry forward, and prospective budget on an annual basis. Any annual expenditures exceeding annual collections when combined with any carry forward budget surplus shall be at the Company's risk of future recovery.

MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 101	—0.426¢	per Therm
Schedule 111 & 112	—0.373¢	per Therm
Schedule 121 & 122	—0.354¢	per Therm
Schedule 131 & 132	—0.294¢	per Therm

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 158.

Issued January 8, 2001

Effective February 15, 2001

Issued by Avista Utilities

By Kelly O. Norwood, Vice President, State and Federal Regulation

AVISTA CORPORATION
d/b/a Avista Utilities

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MONTHLY RATE:

The energy charges of the individual rate schedules are to be increased by the following amounts:

Schedule 101	\$ <u>0.02063</u> per Therm
Schedule 111 & 112	\$ <u>0.01827</u> per Therm
Schedule 121 & 122	\$ <u>0.01739</u> per Therm
Schedule 131 & 132	\$ <u>0.01523</u> per Therm

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 158.

Issued September 13, 2006Effective October 13, 2006

Issued by Avista Utilities

By Kelly O. Norwood, Vice President, State and Federal Regulation

AVISTA CORPORATION
d/b/a Avista Utilities

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Schedule 131 & 132	\$0.01523 per Therm

SPECIAL TERMS AND CONDITIONS:

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The above Rate is subject to increases as set forth in Tax Adjustment Schedule 158.

Issued

September 13, 2006

Effective

October 13, 2006

Issued by Avista Utilities

By Kelly O. Norwood, Vice President, State and Federal Regulation

