

DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER
COMMISSIONER REDFORD
COMMISSIONER SMITH
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL**

**FROM: KARL KLEIN
DEPUTY ATTORNEY GENERAL**

DATE: AUGUST 3, 2012

SUBJECT: AVISTA'S APPLICATIONS TO: (1) REVISE NATURAL GAS EFFICIENCY PROGRAMS SCHEDULE 190 (CASE NO. AVU-G-12-03); (2) DECREASE ENERGY EFFICIENCY PUBLIC PURPOSE RIDER SCHEDULE 191 (CASE NO. AVU-G-12-06); AND (3) DECREASE ENERGY EFFICIENCY PUBLIC PURPOSE RIDER SCHEDULE 91 (CASE NO. AVU-E-12-07).

Avista Corporation dba Avista Utilities has filed three Applications with the Commission.

In the first Application (Case No. AVU-G-12-03), filed June 29, 2012, Avista asks to revise Schedule 190, "Natural Gas Efficiency Programs," to suspend natural gas DSM programs due to new natural gas avoided costs that have been released as part of the Company's IRP process. These DSM programs are funded from Schedule 191 (Energy Efficiency Rider Adjustment) revenues. The Company initially asked for a September 1, 2012 effective date. However, in light of Avista's subsequent Application to decrease Schedule 191 (see below, Case No. AVU-G-12-06), which Staff and the Company concur should be processed with Case No. AVU-G-12-03, the Company has advised Staff that it now seeks an effective of October 1, 2012 in both cases.

On July 31, 2012, the Company filed a combined Application asking to decrease Schedule 91 and 191 rates, "Energy Efficiency Rider Adjustment," which also is known as the "public purpose tariff rider." See Combined Application in Case Nos. AVU-E-12-07 and AVU-G-12-06. The Company notes that Schedules 91 and 191 are designed to recover the costs incurred by the Company associated with providing electric and natural gas energy efficiency

services to customers. As noted above, Staff and the Company concur that the gas cases, AVU-G-12-06 and AVU-G-12-03, should be processed together. Staff and the Company also concur that the electric case, AVU-E-12-06, should be processed by itself. In all three cases, the Company asks for the cases to be processed under Modified Procedure, and for an October 1, 2012 effective date.

STAFF RECOMMENDATION

Staff recommends that the Commission combine cases AVU-G-12-03 and AVU-G-12-06, and that AVU-E-12-07 stand alone.

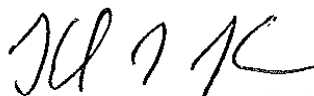
Staff recommends that AVU-G-12-03 and AVU-G-12-06 be processed under Modified Procedure, with comments due by September 10, 2012, and the Company's reply, if any, due by September 17, 2012.

Staff recommends that AVU-E-12-07 also be processed under Modified Procedure, with comments due September 17, 2012.

COMMISSION DECISION

Does the Commission wish to:

1. Process AVU-G-12-03 with AVU-G-12-06 together under Modified Procedure, with comments due by September 10, 2012, and the Company's reply, if any, due by September 17, 2012?
2. Does the Commission wish to process AVU-E-12-07 under Modified Procedure, with comments due by September 17, 2012?



Karl Klein
Deputy Attorney General

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