



Avista Corp.

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Toll Free 800-727-9170

March 19, 2014

Jean D. Jewell, Secretary
Idaho Public Utilities Commission
P O Box 83720
Boise, ID 83720-0074

Dear Ms. Jewell:

Re: Avista Application No. AVU-E-13-09 and AVU-G-13-02, Reply Comments

Dear Ms. Jewell:

Enclosed for filing with the Commission is an original and seven (7) copies of Avista Corporation, doing business as Avista Utilities, reply comments in response to the Idaho Public Utilities Commission' staff's comments dated March 6, 2014, on the Company's request for a finding of prudence for its 2010-2012 electric and natural gas energy efficiency expenditures.

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

Sincerely,

Regulatory Policy Analyst
Avista Utilities
shawn.bonfield@avistacorp.com
509-495-2782

Enclosures

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1 DAVID J. MEYER
2 VICE PRESIDENT AND CHIEF COUNSEL FOR
3 REGULATORY AND GOVERNMENTAL AFFAIRS
4 AVISTA CORPORATION
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8 TELEPHONE: (509) 495-4316
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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	
OF AVISTA CORPORATION FOR A)	CASE NO. AVU-E-13-09
A FINDING THAT IT PRUDENTLY INCURRED)	CASE NO. AVU-G-13-02
ITS 2010-2012 ELECTRIC AND NATURAL GAS)	
ENERGY EFFICIENCY EXPENDITURES)	REPLY COMMENTS OF
_____)	AVISTA CORPORATION

20 Avista Corporation (“Avista” or “Company”) hereby submits reply comments in response
21 to the Idaho Public Utilities Commission Staff’s (“Staff”) comments dated March 6, 2014, on the
22 Company’s request for a finding of prudence for its 2010-2012 electric and natural gas energy
23 efficiency expenditures.

24 The Company appreciates the thorough review of Avista’s 2010-2012 energy efficiency
25 expenditures and the constructive critiques and suggested improvements to Avista’s Demand
26 Side Management (DSM) programs. At the same time, Staff acknowledges that these programs
27 have been providing consistent cost-effective benefits to Idaho customers¹. Avista has carefully
28 reviewed the specific suggestions of Staff regarding program management, which will be
29 addressed in a wider overall program review that has already been initiated internally by

1 The Idaho Conservation League also submitted comments, generally concurring with Staff’s recommendations and findings.

1 Company senior management. This effort will include a thorough review of the Company's
2 DSM implementation practices, as well as a renewed focus on the employment of utility best
3 practices related to DSM program implementation and oversight.

4 The Company looks forward to working with the Commission Staff and other interested
5 parties in the implementation of the specific recommendations resulting from our review of
6 internal controls and best practices. Avista will furnish a report to the Commission, its Staff and
7 other interested stakeholders on or before July 1, 2014, describing how it has addressed concerns
8 raised in Staff's comments.

9 With regard to the remaining Staff recommendations, the Company does not oppose the
10 deferral of the prudency review for the Lewis-Clark State College and Office of Energy
11 Resources (OER) projects, and also concurs with Staff that the 2010-2012 program expenditures,
12 as adjusted, were prudently incurred and in the interests of all Idaho customers served by Avista.

13 The Company appreciates the long-standing collaborative working relationship with the
14 Commission, its Staff and other stakeholders. We believe these relationships have benefited our
15 customers and all of our stakeholders and have been constructive in refining Avista's DSM
16 programs.

17 The Company appreciates the opportunity to respond to the comments filed in this case.

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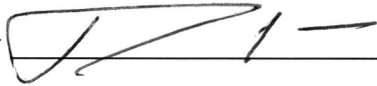
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1 DATED at Spokane, Washington, this 19th day of March, 2014.

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AVISTA CORPORATION

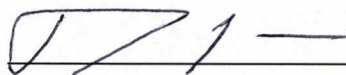
By  _____

David J. Meyer,
Vice President and Chief Counsel of
Regulatory & Governmental Affairs

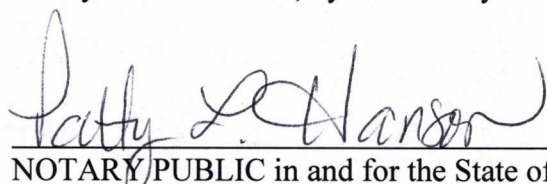
VERIFICATION

STATE OF WASHINGTON)
)
County of Spokane)

David J. Meyer, being first duly sworn, on oath deposes and says: that he is the Vice President and Chief Counsel of Regulatory & Governmental Affairs for Avista Utilities; that he has read the above and foregoing Application, knows the contents thereof, and believes the same to be true.



SIGNED AND SWORN to before me this 19th day of March 2014, by David Meyer.



NOTARY PUBLIC in and for the State of Washington, residing at Spokane.

Commission Expires: 11/23/2017