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From: Lynn Anderson <dlaadvisor@yahoo.com>
Sent: Thursday, March 26, 2020 4:43 PM
To: Diane Hanian <Diane.Hanian@puc.idaho.gov>
Subject: AVU-G-18-08 and AVU-E-18-12 comment

AVU-G-18-08 and AVU-E-18-12

Commissioners,

Obviously, the Commission Staff has found significant problems during its investigation of Avista's Application for prudency determinations for its 2016 and 2017 demand side management (DSM) programs. Staff found similar problems with Avista's last three DSM prudency applications in 2013, 2014 and 2016. It's worth noting that in the last case, AVU-E-16-06, in its filed comments, Staff said: "However, Staff still has concerns about whether all issues have been fully resolved or have simply been made more difficult to discern." While I don't know if the issues were more difficult for Staff to discern in the present case, it is clear that the issues haven't been resolved. That said, in the current case it appears that the Staff is willing to acquiesce to recommending a determination of prudency with only minor disallowances and promises by Avista to do better in the future, as detailed in the Stipulation. Regarding these promises, I've read the public comments filed by Jon Powell in this case and believe his insightful analysis and recommendations are well-founded and recommend that the Commission and the Staff carefully consider his advice.

Also, I want to bring to your attention one specific issue in Avista's natural gas "prudency" request. On pages 7 and 10 of the Application is the claim that the Company's 2016 and 2017 DSM programs saved 535 million "gross" therms and that programs were somehow cost-effective under the utility cost test (UCT), p. 8. As I've said in prior comments filed with the Commission, it is a violation of nationally recognized and accepted DSM evaluation standards to calculate cost-effectiveness of programs based on gross savings instead of on net savings. On page A-5 of Appendix A in Avista's filing (p. 116) are Nexant's estimates of "net-to-gross" factors for determining cost-effectiveness, but it appears that Avista prefers to ignore those necessary downward adjustments to savings and cost-effectiveness. This is nothing new, as Intermountain Gas has the same preference, and it is not surprising, given that it is extremely difficult, if not impossible, for most natural gas DSM programs to be shown as cost-effective when benefit/cost ratios are calculated using nationally accepted methods.

Thank you for your consideration,
Lynn Anderson