

## DECISION MEMORANDUM

**TO: COMMISSIONER KJELLANDER  
COMMISSIONER RAPER  
COMMISSIONER ANDERSON  
COMMISSION SECRETARY  
COMMISSION STAFF  
LEGAL**

**FROM: SEAN COSTELLO  
DEPUTY ATTORNEY GENERAL**

**DATE: DECEMBER 11, 2018**

**SUBJECT: IN THE MATTER OF THE APPLICATION OF AVISTA CORPORATION  
FOR A DETERMINATION OF 2014-2017 NATURAL GAS ENERGY  
EFFICIENCY EXPENSES AS PRUDENTLY INCURRED; CASE NO.  
AVU-G-18-08**

On November 16, 2018, Avista Corporation (“Avista” or “Company”) filed an Application requesting the Commission make a determination that the Company’s natural gas energy efficiency expenditures from January 1, 2014, through December 31, 2017, were prudently incurred.

### THE APPLICATION

The Company states that it spent \$2,899,525 on natural gas energy efficiency measures from January 1, 2014, to December 31, 2017. Application at 1. The Company reports that 54%, or \$1,567,707, of its total expenditures were paid to customers in direct incentives. *Id.* at 5. The Company reports that its energy efficiency portfolio achieved a Utility Cost Test ratio of 1.45 in 2016 and 2.35 in 2017. *Id.* at 7-8. The Company reports that its natural gas energy efficiency programs saved 535,449 therms, on a gross basis, from January 1, 2016, through December 31, 2017. *Id.* at 8-9. Avista also reports that its natural gas energy efficiency programs exceeded the Company’s 2016 and 2017 Integrated Resource Planning (IRP) target(s). *Id.* at 9.

The Company hired a third party to conduct an impact evaluation in order to “provide an accurate summary of the gross energy and demand savings attributable to Avista’s Energy Efficiency portfolio.” *Id.* at 10. The Company provided a copy of the evaluation with its

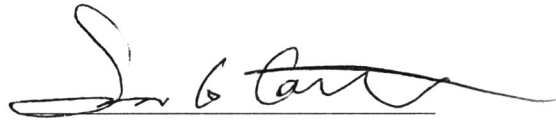
Application as well as copies of its 2016 and 2017 Idaho Annual Conservation Reports. *Id.* at 10 and see Exhibits 1-3.

**STAFF RECOMMENDATION**

Staff recommends the Commission issue a Notice of Application and Notice of Intervention Deadline, with an intervention deadline set for 21 days after service of the Notice.

**COMMISSION DECISION**

Does the Commission wish to issue a Notice of Application and Intervention Deadline that establishes an intervention deadline set for 21 days after service of the Notice?



Sean Costello  
Deputy Attorney General