

BEFORE THE PUBLIC UTILITY COMMISSION

OF OREGON

LC 55

In the Matter of)
)
AVISTA CORPORATION)
dba AVISTA UTILITIES)
)
2012 Integrated Resource Plan)
_____)

**COMMENTS OF THE
CITIZENS' UTILITY BOARD OF OREGON**

April 5, 2013



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The Citizens' Utility Board of Oregon (CUB) appreciates the opportunity to comment on Staff's final comments and the Proposed Order for LC 55. CUB submitted comments for Avista's Integrated Resource Plan (IRP) on January 15, 2013, and does not generally object to Avista's analysis. In our previous comments, we addressed three main issues: Avista's distribution investments, its approach to hedging mechanisms, and its move to suspend its energy efficiency programs.

CUB argues that Avista should have elaborated on its distribution investments; if Avista is considering making significant investments in distribution systems, their cost-effectiveness should be included in its IRP.

We also state in our comments that Avista could have further detailed its hedging analysis. If Avista is considering long-term hedges, or should be considering them, these should also be included in its IRP.

Finally, CUB cautions against Avista's suspension of its demand-side management (DSM) energy efficiency programs. Avista argues that its DSM programs are currently not cost-effective, but CUB stresses the importance of energy efficiency's cost-effectiveness over the long term--the lifetime of the investment--rather than the short-term. An energy efficiency program that is not cost-effective today may, over the lifetime of the investment, become cost-effective in the future. Thus, CUB warns even against temporary suspension of Avista's DSM programs.

As per CUB's comments on whether hedging policy and distribution investments should be included in the IRP, it is CUB's understanding that the Commission will open a separate docket to more broadly examine natural gas IRPs. CUB believes that our concerns over whether a gas IRP should include hedging and distribution are generic issues that apply to all gas utilities, so they are better addressed in that new docket.

CUB is pleased that Staff recognizes the risk of discontinuing energy efficiency programs. Staff states in its comments that more time and analysis are necessary to fully assess the cost-effectiveness of Avista's DSM programs. Staff proposes that Avista monitor and collect data on its programs for two years so that a more detailed assessment of their cost-effectiveness can be determined. The draft proposed order also recommends various actions, including, but not limited to: 1) Avista's extension of energy efficiency measures, as well as certain residential programs; 2) continuing DSM programs in Oregon; and 3) that in two years, Avista provide a study detailing the savings and cost-effectiveness of its DSM measures.

CUB supports the proposed order, and asks that the Commission adopt it.

Respectfully Submitted,
April 5, 2013

A handwritten signature in black ink, appearing to read 'N. Hanhan', written over a horizontal line.

Nadine Hanhan
Utility Analyst
Citizens' Utility Board of Oregon
610 SW Broadway, Suite 400
Portland, OR 97205
nadine@oregoncub.org

LC 55 – CERTIFICATE OF SERVICE

I hereby certify that, on this 5th day of April, 2013, I served the foregoing **COMMENTS OF THE CITIZENS' UTILITY BOARD OF OREGON** in docket LC 55 upon each party listed in the LC 55 PUC Service List by email and, where paper service is not waived, by U.S. mail, postage prepaid, and upon the Commission by email and by sending one original and five copies by U.S. mail, postage prepaid, to the Commission's Salem offices.

(W denotes waiver of paper service)

(C denotes service of Confidential material authorized)

W AVISTA UTILITIES

LINDA GERVAIS
PO BOX 3727
SPOKANE WA 99220-3727
linda.gervais@avistacorp.com

W PUBLIC UTILITY COMMISSION

LISA GORSUCH
PO BOX 2148
SALEM OR 97308-2148
lisa.gorsuch@state.or.us

W PUC STAFF--DOJ

MICHAEL T WEIRICH
1162 COURT ST NE
SALEM OR 97301-4096
michael.weirich@doj.state.or.us

Respectfully submitted,



Staff Attorney
Citizens' Utility Board of Oregon
610 SW Broadway, Ste. 400
Portland, OR 97205
(503) 227-1984 phone
(503) 224-2596 fax
sommer@oregoncub.org