

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF)	
AVISTA CORPORATION DBA AVISTA)	CASE NO. AVU-E-01-07
UTILITIES—WASHINGTON WATER POWER)	
DIVISION (Idaho) FOR APPROVAL OF)	NOTICE OF APPLICATION
REQUESTED CHANGES IN ELECTRIC)	
TARIFF SCHEDULE 91 ENERGY EFFICIENCY)	NOTICE OF MODIFIED
RIDER ADJUSTMENT—IDAHO AND)	PROCEDURE
SCHEDULE 90 ELECTRIC ENERGY)	
EFFICIENCY PROGRAMS.)	NOTICE OF COMMENT/
_____)	PROTEST DEADLINE

YOU ARE HEREBY NOTIFIED that on March 30, 2001, Avista Corporation dba Avista Utilities—Washington Water Power Division (Idaho) filed a request for approval of proposed modifications to Electric Tariff Schedule 90—Electric Energy Efficiency Programs and Schedule 91—Efficiency Rider Adjustment (Idaho). The tariff filing proposes to increase the Schedule 91 funding level for Electric Energy Efficiency Programs from 1.0% to 1.95% of revenue. The Company anticipates that the increase will generate approximately \$1 million of additional revenue in Idaho for the Schedule 90 programs. This will allow the Company to acquire an additional 2,500,000 kilowatt hours through energy efficiency. The Company states that residential customers should expect to see an average increase of approximately 60¢ per month. There is no margin to Avista associated with this filing. The Company has requested a May 2, 2001 effective date. The Company proposed effective date was suspended by Commission Order No. 28719.

As reflected in its filing, the Company states that its Energy Efficiency Programs are experiencing increased customer demand and participation. Dramatic rises in the wholesale cost of power have increased the cost effectiveness level of conservation allowing the Company to increase its energy efficiency activities. The additional revenue generated under Schedule 91 will be expended under Schedule 90, Energy Efficiency Programs, including support for the Demand Side Management (DSM) bids accepted under the Company's recent Request for Proposals (RFPs). Avista has prioritized DSM programs as a key response to high-energy prices. Acquiring lower cost energy efficiency resources, rather than buying from the market, the Company states, benefits

all customers. The proposed Schedule 90F shows a budget increase for the residential sector, increasing the allocation from 20% to 25% of the total program budget.

YOU ARE FURTHER NOTIFIED that the Commission has reviewed the filings of record in Case No. AVU-E-01-07 and has determined that the matter is more appropriately processed as a formal case rather than the Tariff Advice filed by the Company. The Commission has preliminarily also determined that the public interest regarding the proposed changes to electric Tariff Schedules 90 and 91 may not require a hearing to consider the issues presented and that the issues raised by the Application may be processed under **Modified Procedure**, i.e., by written submission rather than by hearing. Reference Commission Rules of Procedure, IDAPA 31.01.01.201-204.

YOU ARE FURTHER NOTIFIED that the Commission may not hold a hearing in this proceeding unless it receives written protests or comments opposing the use of Modified Procedure and stating why Modified Procedure should not be used. Reference IDAPA 31.01.01.203.

YOU ARE FURTHER NOTIFIED that **the deadline for filing written comments or protests** with respect to the Application and the Commission's use of Modified Procedure in Case No. AVU-E-01-07 is **Wednesday, May 30, 2001**. Persons desiring a hearing must specifically request a hearing in their written protests or comments.

YOU ARE FURTHER NOTIFIED that if no written comments or protests are received within the deadline, the Commission will consider the matter on its merits and enter its Order without a formal hearing. If comments or protests are filed within the deadline, the Commission will consider them and in its discretion may set the matter for hearing or may decide the matter and issue its Order based on the written positions before it. Reference IDAPA 31.01.01.204.

YOU ARE FURTHER NOTIFIED that written comments concerning Case No. AVU-E-01-07 should be mailed to the Commission and the Company at the addresses reflected below.

COMMISSION SECRETARY
IDAHO PUBLIC UTILITIES COMMISSION
PO BOX 83720
BOISE, IDAHO 83720-0074

Street Address for Express Mail:

472 W WASHINGTON ST
BOISE, ID 83702-5983

THOMAS D DUKICH, DIRECTOR
RATES & TARIFF ADMINISTRATION
AVISTA CORPORATION
1411 E MISSION
PO BOX 3727
SPOKANE, WA 99220-3727

And

BRUCE FOLSOM
JON POWELL
AVISTA CORPORATION
1411 E MISSION
PO BOX 3727
SPOKANE, WA 99220-3727

All comments should contain the case caption and case number shown on the first page of this document.

YOU ARE FURTHER NOTIFIED that the Application in Case No. AVU-E-01-07 can be reviewed at the Commission's office and at the Idaho offices of Avista during regular business hours.

DATED at Boise, Idaho this day of December 2002.

PAUL KJELLANDER, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

ATTEST:

Jean D. Jewell
Commission Secretary

Vld/N:AVU-E-01-07_sw