



# APPENDIX 'F'

## PUBLIC INVOLVEMENT



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## **PUBLIC INVOLVEMENT**

Part of the Integrated Resource Plan is to involve the public in the least cost planning process. To accomplish this, the Company held two public Technical Advisory Committee (TAC) Meetings to review different phases of the plan during 2002. The first meeting was a joint session with the Avista Corp. electric TAC members and the natural gas TAC members covering Washington, Idaho, and Oregon. The second meeting was held with just the natural gas TAC members and covered Washington, Idaho, and Oregon.

In addition to state commission staff, the meetings included representatives from other state government agencies, several industrial customers, county government, and pipeline companies. A list of active and inactive participants can be made available by request.

Comments regarding the draft filing of this plan have been included in this filing. Comments were received from several members of the TAC, including comments from the Washington, Idaho, and Oregon State Commission staffs.

Table 1 lists the Technical Advisory Committee meetings that were held.

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**TABLE 1**  
**TECHNICAL ADVISORY COMMITTEE MEETINGS**

<u>Date</u>	<u>Location</u>
<b>September 24, 2002</b>	<b>Spokane, Washington</b>
Topics of Discussion: (Joint meeting with Avista Utilities electric IRP TAC) Purpose of IRP Background of Least Cost Planning Gas and Electric Forecast Methodology Washington/Idaho/Oregon Load Forecast Gas Outlook and Price Forecast Gas and Electric DSM Plans	
<b>December 4, 2002</b>	<b>Spokane, Washington</b>
Topics of Discussion: Explanation of Distribution Planning Demonstration of Distribution Model Demonstration of GIS Explanation of Resource Planning Demonstration of SENDOUT® Planning Model	

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# APPENDIX 'G'

## ACTION PLAN



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# **ACTION PLAN**

## **AVISTA CORP. 2000 ACTION PLAN REVIEW**

Since the 2000 IRP was published, several major changes have occurred within the Avista Corporation. One change being the appointment of Gary Ely as the CEO of Avista Corporation. Along with this was the appointment of Scott Morris as President of Avista Utilities. Mr. Ely and Mr. Morris have many years of varied experience within Avista Corporation. The other major change for the Corporation was the emphasis to "get back to the basics". That "basics" being an electric and gas utility in the Pacific Northwest.

### **I. SALES FORECASTING**

Avista Utilities will re-estimate temperature sensitive customer usage models utilizing alternative measures of degree days. Avista Utilities will also track the price elasticity customer use responses over the action plan period to validate or modify the lag structure.

**Avista Utilities has re-estimated temperature sensitive customer usage models utilizing alternative measures of degree days. Now included in the equation are "high quality" degree days accounting for Winter response differences.**

**Avista Utilities has tracked the price elasticity customer use responses over the action plan period and modified the lag structure. The results of this tracking analysis have reduced the price responsiveness of customers. The support for this analytical result is that price responsiveness is being measured after conservation responses. During 2001, conservation messages to customers were at unprecedented levels, as was program participation. This appears to account for the lowered response rates to prices during 2001 and 2002.**

### **II. MODELING/DAILY FORECASTING**

Avista Utilities will continue to use the SENDOUT® Gas Planning Model to evaluate capacity requirements, storage requirements, supply requirements, monthly guidance for Gas control, etc.

**SENDOUT® remains the focal point for all planning studies done by Avista Utilities.**

Avista Utilities will evaluate, purchase, and install a daily forecasting system.

**Nostradamus® forecasting software was purchased from New Energy Associates for daily load forecasting. This software has enhanced our accuracy in daily/weekly load forecasting.**

### **III. SUPPLY/CAPACITY**

Avista Utilities will continue to monitor Avista Energy as part of the “bench marking” agreement.

**As part of the “bench marking” agreement, Avista Utilities has continued to monitor Avista Energy, along with supplying quarterly reports to the state commissions. Within this process, a Strategic Oversight Committee (SOG) was established. At the time of this printing, Idaho and Oregon have extended the “bench marking” through March 2005 as filed by the Company. Washington has not settled on the continuation of the “bench mark” which went to hearing in late November, the company asking to continue beyond January 2004.**

### **IV. DEMAND SIDE MANAGEMENT**

Avista Utilities will provide continuing support to the evaluation of natural gas efficiency measures by:

- maintaining a dialogue with stakeholders regarding the role of gas efficiency programs within the Avista Utilities resource portfolio.
- reporting on gas efficiency efforts in a manner that facilitates a meaningful opportunity for stakeholders to contribute to the process.
- leveraging the efforts being made within our electric service territory to achieve natural gas savings when encountered.
- lending support for changes in energy codes that are cost-effective in a strong majority of circumstances.
- continuing to monitor and evaluate the impact of developing technologies and their impact upon natural gas usage.

**The Company has worked with the External Energy Efficiency board to maintain an ongoing awareness of cost-effective gas-efficiency opportunities. The result of this process was the determination that increased gas avoided cost and growing technical potential created an opportunity for cost-effective**

**programs. Consequently the Company reestablished a gas demand-side management tariff rider for our Washington and Idaho jurisdictions in early 2001. The gas-efficiency programs have been integrated into the Company's DSM programs and have, through 2002, substantially exceeded the goals established within the tariffs.**

## **V. DISTRIBUTION PLANNING**

Avista Utilities will continue to use the Stoner Workstation in activities of distribution planning and continue to integrate the GIS system into the planning functions.

**The Stoner Workstation continues to be an integral part of the distribution planning effort at Avista Utilities. Avista Utilities is currently refining planning procedures to apply accurate and standard load study practices to all of the Companies distribution systems.**

## **VI. PUBLIC INVOLVEMENT**

Avista Utilities will continue to participate in the energy planning efforts of other organizations in the Northwest.

**Avista has been an active participant in the planning efforts of other utilities in the Northwest. Avista was an active participant in UM1056, the bill in Oregon looking at the IRP rules, this bill has currently been suspended. Avista continues to be involved with studies being conducted in the northwest looking at demand and capacity in the northwest.**

## **AVISTA CORP. 2003 ACTION PLAN**

"The natural gas industry is in a very fluid state due to changes in pipeline regulations, national energy policy changes and implementation, changes in customer preferences for natural gas end uses, changes in regional and national economies, increasing environmental awareness for uses of natural gas and increasing competition both in terms of choices customers have in meeting their energy needs and in resources available to the Company to meet its customer's needs". This statement has been at the beginning of every Natural Gas IRP Action Plan items. This statement still holds true today, as it did three years ago. Things have changed, the FERC has proposed constant changes in the short and long term pipeline regulation, the involvement of marketers into the commodity arena, huge fluctuations in commodity costs...

The objective of Avista's 2003 Action Plan is to continue to further integrate the objectives of Integrated Resource Planning and Least Cost Planning into the Company's daily operations.

The 2003 action plan is focused on six key areas:

- Sales Forecasting
- Modeling/Forecasting
- Supply/Capacity
- Demand Side Management
- Distribution Planning
- Public Involvement

### **I. SALES FORECASTING**

Avista Utilities will continue to track the price elasticity customer use responses over the action plan period to validate or modify the lag structure.

### **II. MODELING/DAILY FORECASTING**

Avista Utilities will continue to use the SENDOUT® Gas Planning Model and the Nostradamus® Forecasting Model to evaluate capacity requirements, storage requirements, supply requirements, monthly guidance for Gas Supply, etc.

### **III. SUPPLY/CAPACITY**

Avista Utilities will continue to monitor Avista Energy as part of the “bench marking” agreement. Avista Utilities will continue to supply the State Commission staffs with quarterly reports as stipulated in the “bench marking” agreement. Avista Utilities will also continue to analyze the need for additional interstate pipeline capacity and to evaluate the renewal of transportation contracts as they expire.

### **IV. DEMAND SIDE MANAGEMENT**

Within the Company’s Washington and Idaho service territory we will work toward achieving available cost-effective gas-efficiency opportunities while simultaneously bringing the tariff rider balance back to zero in a timely manner. Towards these ends we have identified the following action items for these two jurisdictions:

- Continue to target low-cost / no-cost and lost opportunity measures in the commercial / industrial segments.
- Evaluate the rotation of programs contained within the residential portfolio to create a sense of urgency on the part of customers and dealer infrastructure.
- Leverage regional and local electric-efficiency programs to realize gas-efficiency opportunities.

Within the Oregon jurisdiction the Company has identified the following action items:

- Evaluate the impact of the space and water heating gas-efficiency programs, to include an evaluation of the market transformation effects.
- We will continuously reevaluate our approach to meeting our mandated residential weatherization, commercial audit and commercial incentive program responsibilities. We will work with external stakeholder groups to meet common objectives and optimize implementation.

### **V. DISTRIBUTION PLANNING**

Avista Utilities will continue to use the Stoner Workstation in activities of distribution planning and continue to integrate the GIS system into the planning functions.

## **VI. PUBLIC INVOLVEMENT**

Avista Utilities will continue to participate in the energy planning efforts of other organizations in the Northwest as well as any national studies that may occur. This includes, but is not limited to studies being performed under the guidance of the American Gas Association, the Northwest Gas Association, the FERC,

Avista Utilities will also look to other utilities in the northwest to find better ways to get active, meaningful participation in the Technical Advisory Committee (TAC).