

**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON**

**LC 61**

In the Matter of )  
 )  
AVISTA CORPORATION dba AVISTA )  
UTILITIES )  
 )  
2014 Integrated Resource Plan )  
\_\_\_\_\_ )

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

January 26, 2015



**BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON  
LC 61**

In the Matter of	)	
	)	
AVISTA CORPORATION dba AVISTA UTILITIES	)	REPLY COMMENTS OF THE CITIZENS' UTILITY BOARD OF OREGON
	)	
2014 Integrated Resource Plan	)	
_____	)	

1       The Citizens' Utility Board of Oregon (CUB) appreciates this opportunity to comment on  
2 Staff's Recommendations for Avista's 2014 Natural Gas Integrated Resource Plan (IRP). In its  
3 Reply Comments, Avista did not directly address any of CUB's points in CUB's Opening  
4 Comments, but CUB reiterates the statements it made in that document and will currently  
5 comment on Staff's Recommendations.

6       Staff agrees with CUB in its concerns about Avista's long-term hedging strategy. CUB  
7 understands that finding the "sweet spot" between mitigating risk against volatile gas prices  
8 while simultaneously protecting customers from losses can be difficult, but CUB agrees with  
9 Staff that Avista's hedging strategy has resulted in losses to customers. Avista disagreed with  
10 this conclusion in its Reply Comments,<sup>1</sup> but upon reviewing Avista's responses to Staff's data  
11 requests pertaining to hedging,<sup>2</sup> CUB believes Staff's conclusions to be reasonable.

---

<sup>1</sup> Docket No. LC 61. Avista Utilities 2014 Natural Gas Integrated Resource Plan Response Comments, p. 6.  
<sup>2</sup> Specifically, data requests 17-21, which Staff highlights in its Recommendations.

12 CUB also agrees with other points made by Staff throughout its Final Comments. In  
13 particular, Staff's recommendations and revised Action Items pertain to DSM, deterministic and  
14 stochastic analysis, demand forecasting methodology, future hedging strategy discussions,  
15 distribution planning, and climate change regulation. CUB finds Staff's recommendations to be  
16 reasonable as most of them involve useful adjustments to Avista's IRP analysis that will better  
17 inform future resource decisions.

Sincerely,

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

Nadine Hanhan  
Utility Analyst  
Citizens' Utility Board of Oregon  
610 SW Broadway, Suite 400  
Portland, OR 97205  
(503) 227-1984, x11  
[nadine@oregoncub.org](mailto:nadine@oregoncub.org)

## LC 61 – CERTIFICATE OF SERVICE

I hereby certify that, on this 26<sup>th</sup> day of January, 2015, I served the foregoing **REPLY COMMENTS OF THE CITIZENS’ UTILITY BOARD OF OREGON** in docket LC 61 upon each party listed in the LC 61 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 three 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)**

<b>W</b>	EDWARD FINKLEA EXECUTIVE DIRECTIOR	326 FIFTH ST LAKE OSWEGO OR 97034 efinklea@nwigu.org
<b>W</b>	<b>AVISTA UTILITIES</b>	
	LINDA GERVAIS SR REGULATORY ANALYST	PO BOX 3727 SPOKANE WA 99220-3727 linda.gervais@avistacorp.com
	TOM PARDEE	tom.pardee@avistacorp.com
<b>W</b>	<b>CABLE HUSTON BENEDICT HAAGENSEN &amp; LLOYD</b>	
	TOMMY A BROOKS	1001 SW FIFTH AVE, STE 2000 PORTLAND OR 97204-1136 tbrooks@cablehuston.com
<b>W</b>	<b>CABLE HUSTON BENEDICT HAAGENSEN &amp; LLOYD LLP</b>	
	CHAD M STOKES	1001 SW 5TH - STE 2000 PORTLAND OR 97204-1136 cstokes@cablehuston.com
<b>W</b>	<b>PUBLIC UTILITY COMMISSION OF OREGON</b>	
	ERIK COLVILLE <b>(C)</b>	PO BOX 1088 SALEM OR 97308-1088 erik.colville@state.or.us
	LISA GORSUCH <b>(C)</b>	PO BOX 1088 SALEM OR 97308-1088 lisa.gorsuch@state.or.us

**W**

**PUC STAFF - DEPARTMENT  
OF JUSTICE**

JOHANNA  
RIEMENSCHNEIDER (C)

BUSINESS ACTIVITIES SECTION  
1162 COURT ST NE  
SALEM OR 97301-4796  
johanna.riemenschneider@doj.state.or.us

Sincerely,

A handwritten signature in black ink, appearing to read 'Nadine Hanhan', with a long horizontal flourish extending to the right.

Nadine Hanhan  
Utility Analyst  
Citizens' Utility Board of Oregon  
610 SW Broadway, Suite 400  
Portland, OR 97205  
(503) 227-1984, x12  
[nadine@oregoncub.org](mailto:nadine@oregoncub.org)