

**AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	04/19/2016
CASE NO.:	UE-160228 & UG-160229	WITNESS:	Heather Rosentrater
REQUESTER:	Public Counsel/Energy Project	RESPONDER:	John Gibson/L. La Bolle
TYPE:	Data Request	DEPT:	State & Federal Regulation
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REQUEST:

Is it Avista's opinion that distribution automation and distribution grid modernization will improve customer reliability? If so, please provide your estimate of the impact of these investments on reliability of service, how such reliability impacts will be measured, and when these improvements will be identifiable and quantified.

RESPONSE:

While Avista believes its current level of electric system reliability meets our customer's expectations and provides them cost effective value, upholding this level of service requires continuous investment in our system to offset the reliability impacts that would otherwise occur as it ages. When we speak of projects as having the effect of "improving reliability," we are referring to the improvement in reliability that occurs on those portions of the electric system where the investments are targeted. Although these projects have the localized effect of improving reliability for customers served on those portions of the system, when considered from the perspective of the overall system, measured over the long term, they enable us to generally uphold our current level of system reliability, which we believe is satisfactory.

From this perspective, the subject programs do improve the reliability of the electric system for our customers on those portions of the system targeted by these investments. The figure below shows one measure of the improvement in reliability (number of outage events) for those feeders that have been treated under the Company's smart grid grants and the Distribution Grid Modernization program ("Grid Mod"), both noted in PC/EP DR-005. The vertical bars show the number of electric outages (events) for the population of feeders that have been treated under these programs to date. The line represents the outage events for the Company's entire system (left axis). The reduction in the number of outage events (the improvement in reliability) on the Grid Mod feeders, after they have been treated, is represented by the vertical bars (right axis) for the years 2010 through 2015, and the growing separation between the Grid Mod and System outage events.

Outages Events Reduced by Grid Modernization

