# **ATTACHMENT 3**

# **BUSINESS CASES**



# Avista 2015 Capital Additions Detail (System) (Transfers toPlant)

Exhibit No(KKS	- 5)	
Attachment No.		\$ (000's)
	Generation / Production:	
GP-1	Hydro - Base Load Hydro	\$ 1,149
GP-2	Hydro - Clark Fork Settlement Agreement	13,988
GP-3	Hydro - Generation Battery Replacement	250
GP-4	Hydro - Hydro Safety Minor Blanket	70
GP-5	Hydro - Little Falls Plant Upgrade	14,300
GP-6	Hydro - Nine Mile Rehab	51,323
GP-7	Hydro - Regulating Hydro	4,136
GP-8	Hydro - Spokane River License Implementation	462
GP-9	Other - Base Load Thermal Plant	2,200 500
GP-10 GP-12	Other - Peaking Generation	2,497
GP-12 GP-14	Thermal - Colstrip Thermal Capital Hydro - Noxon Spare Coils	1,350
GP-14 GP-15	Hydro - Post Falls South Channel Replacement	11,008
GP-15 GP-16	Hydro - Cabinet Gorge Unit 1 Refurbishment	11,400
G1-10	Trydro - Cabinet Gorge Omt 1 Returbishment	\$ 114,633
		φ 114,055
	General:	
G-1	Capital Tools & Stores Equipment	\$ 2,348
G-2	COF Long-Term Restructuring Plan	8,500
G-4	Structures and Improvements/Furniture	4,600
G-5	Battery Storage	2,063
G-6	Apprentice Training	60
G-7	HVAC Renovation Project	9,250
G-9	New Deer Park Service Center	2,750
G-10	COF Long-term Restructure Ph2	2,000
		\$ 31,571
	N. IG DIVING	
NCD 1	Natural Gas Distribution:	¢ 16 917
NGD-1 NGD-2	Aldyl A Replacement	\$ 16,817
NGD-2 NGD-3	Cathodic Protection	950 7.664
NGD-3 NGD-4	Gas Non-Revenue Program Gas Reinforcement	7,664 1,000
NGD-4 NGD-5	Gas Replacement Street & Highway	4,500
NGD-5 NGD-6	Gas Telemetry	400
NGD-7	Isolated Steel Replacement	3,450
NGD-8	Overbuilt Pipe Replacement	900
NGD-9	Regulator Station Reliability Replacement	800
NGD-10	Replace Deteriorating Steel Gas Systems	1,000
NGD-12	Gas PMC Program - Capital Replacements	1,030
NGD-13	Goldendale HP	3,505
NGD-15	ERTs Replacement Program	402
		\$ 42,418
	Gas Underground Storage:	
GUS-1	Jackson Prairie Storage	\$ 1,356
		\$ 1,356
	Transportation:	
T-1	Fleet Budget	\$ 7,700
l .	1 tott Daugot	\$ 7,700 \$ 7,700
		Ψ 7,700

# Avista 2015 Capital Additions Detail (System) (Transfers toPlant)

Exhibit No(KKS- 5) Attachment No.				\$ (000's)
	Enterprise Technology:			<u></u>
ET-1	AvistaUtilities.com and AvaNet Redesign			\$ 4,125
ET-2	Enterprise Business Continuity Plan			450
ET-3	Mobility in the Field			450
ET-4	Technology Refresh to Sustain Business Process			18,595
ET-5	Customer Information and Work & Asset Management System			95,108
ET-6	Enterprise Security			3,800
ET-7	Technology Expansion to Enable Business Process			6,069
ET-9	High Voltage Protection Upgrade			719
ET-10	Next Generation Radio Refresh			4,200
ET-11	Microwave Refresh			2,363
				\$ 135,879
	Electric Transmission / Distribution:	Transmission	Distribution	Total Transmission & Distribution
ETD-1	Colstrip Transmission/PNACI	\$ 491 \$	-	\$ 491
ETD-2	Distribution Grid Modernization		10,925	10,925
ETD-3	Distribution Line Protection		125	125
ETD-4	Distribution Minor Rebuild		8,300	8,300
ETD-5	Distribution Transformer Change-Out Program		4,700	4,700
ETD-6	Distribution Wood Pole Management		11,000	11,000
ETD-7	Meter Minor Blanket		5,806	5,806
ETD-8	Electric Replacement/Relocation		2,400	2,400
ETD-9	Environmental Compliance	350	150	500
ETD-10	Primary URD Cable Replacement		1,000	1,000
ETD-11	Reconductors and Rebuilds	11,763	2,500	14,263
ETD-12	Segment Reconductor and FDR Tie Program		2,920	2,920
ETD-13	Spokane Electric Network		2,300	2,300
ETD-14	Storms	1,000	2,000	3,000
ETD-15	Substation - 115 kV Line Relay Upgrades	1,525		1,525
ETD-16	Substation - Asset Mgmt. Capital Maintenance	1,200	1,508	2,708
ETD-17	Substation - Capital Spares	3,900	1,200	5,100
ETD-18	Substation - Distribution Station Rebuilds	275	2,112	2,387
ETD-19	Substation - New Distribution Stations	4.400	2,026	2,026
ETD-20	Tribal Permits and Settlements	1,430	1 000	1,430
ETD-21	Worst Feeders	2.000	1,999	1,999
ETD-22	Spokane Valley Transmission Reinforcement	2,900		2,900
ETD-23 ETD-24	Clearwater Sub Upgrades	500	427	500
	Franchising for WSDOT		427	427
ETD-25 ETD-28	Harrington 4 kV Cutover	1,709	2,025	2,025
ETD-28 ETD-30	Transmission - Asset Management Transmission - NERC Low Priority Mitigation	500		1,709 500
ETD-30 ETD-31	Transmission - NERC Medium Priority Mitigation	3,294		3,294
ETD-31 ETD-32	SCADA - SOO & BUCC	1,020		1,020
ETD-32 ETD-34	Noxon Switchyard Rebuild	8,325		8,325
ETD-35	Street Light Management	0,323	1,500	1,500
212 00	Stock Digital Management	\$ 40,183	\$ 66,924	\$ 107,107
	Total Non-Revenue Capital			\$ 440,664
	Growth/Revenue - Producing			\$ 31,343
	Total Idaho/Oregon Direct Capital Additions 2015			\$ 7,990
	Total Capital Additions in 2015			\$ 479,996

**Functional Group:** Generation / Production

Business Case Name: Base Load Hydro

**ER No: ER Name:** 4147 Base Hydro

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$3,4471

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	1,126	-	-	-	-	-	-	-	-	-	110	16	1,000
2015	1,149	-	-	-	-	-	-	-	-	-	-	-	1,149
2016	1,149	-	-	-	-	-	-	-	-	-	-	-	1,149

### **Business Case Description:**

This program is to cover the capital maintenance expenditures required to keep these plants operating within 90% of their current performance. The program will focus on ways to maintain compliance while maintaining reasonable unit availability. These plants are the Upper Spokane River plants, including Post Falls, Upper Falls, Monroe Street and Nine Mile.

### Offsets:

There are no anticipated offsets with this business case.

<sup>1</sup>The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Investment Name:	Base Load Hydro	0							
Requested Amount	9		800,000	Assessments:					
Duration/Timeframe	10	10 Year Program		Financial:	14.19%			1000	
Dept, Area:	GPSS			Strategic:	Generating plant performance	it performance	3		
Owner:	Andy Vickers			Business Risk:	Business Risk F	Business Risk Reduction >5 and <= 10	<= 10		
Sponsor:	Jason Thackston			Program Risk:	Moderate certai	nty around cost,	Moderate certainty around cost, schedule and resources	urces	
Category:	Program								
Mandate/Reg. Reference:	n/a			Assessment Score:	#NAME?	Annual Co	Annual Cost Summary - Increase/(Decrease)	se/(Decrease)	
Recommend Program Description:	cription:				Performance	Capital Cost	O&M Cost	Other Costs	<b>Business Risk Score</b>
This program is to cover the capital maintenance expenditures required to keep these plants operating within 90% of their current performance (this assumes some degradation of performance over time.)	e capital maintenan	ice expenditures rec	quired to keep the	This program is to cover the capital maintenance expenditures required to keep these plants operating within 90% of their current performance (this assumes some degradation of performance over time.) The	This program	\$ 800,000	φ	•	9
am will focus on way:	to maintain compli	iance and reduce ov	verall O&M expen	program will focus on ways to maintain compliance and reduce overall 0&M expenses while maintaining	systematically				
a reasonable unit avilability. These plants are the Upper Spokane River Plants.	/. These plants are t	the Upper Spokane	River Plants. The	These include PF, UF, MS,	upgrade				
					various				
					equipment to				
					improve				
						Annual Co	Annual Cost Summary - Increase/(Decrease)	se/(Decrease)	
Alternatives:		1000			Performance	Capital Cost	O&M Cost	Other Costs	<b>Business Risk Score</b>
Unfunded Program:	Current Unit avilat graph below). Star decline. This is du contrasted to othe	Current Unit avilability has been declining over the past several years (sei graph below). Status quo would anticipate a continuation of this general decline. This is due to the relative lower priority of these plants when contrasted to other generating assets.	ning over the passipate a continuat ver priority of the	past several years (see nuation of this general these plants when	e/u	\$ 450,000	\$	· ·	
Alternative 1: Brief name	Fund this program	at something abov	e the historical an	Fund this program at something above the historical amount would result in	anticipate a	\$ 650,000	- \$	-	9
of alternative (if applicable)	some improvemer	some improvement but would continue the declining rate of availability	ue the declining r	ate of availability	slowing trend change				
Alternative 2: Brief name Describe other options that were considered of alternative (if applicable)	Describe other opt	tions that were con	sidered		describe any incremental changes in operations	S	\$	<b>S</b>	0
Alternative 3 Name: Brief name of alternative (if applicable)		Describe other options that were considered	sidered		describe any incremental changes in operations	The second secon	₩ 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	<b>o</b>	0
Program Cash Flows									Francisco de la constanta de l
	Capital Cost	O&M Cost	Other Costs	Approved		Associated Ers (list all applicable)	t all applicable):		
Previous	\$	٠-	- \$			4000		}	
2014	\$ 1	ENN.	- \$	\$ 1,149,000		4003	3 4109	)	
2015	\$	\$	\$	1,149,000		4004	4117	2	
2016	\$	- \$	- \$	\$ 1,149,000		4104	4		
2017	\$	2000	- \$	\$ 1,149,000					
2018	Ş	- \$	- \$						
2019	800,000	- \$	\$	\$ 1,149,000					

	2020+	4,000,000	-		\$	\$ -	- 30	essente.			
	Total	\$	\$ (			\$ -	6,894,000	MATTER			
	ER	2015	2	2016	2017		2018	2019	Total		Mandate Excerpt (if applicable):
4147		\$ 800,000	\$	800,000	\$ 800,000	\$ 000	800,000	\$ 800,000	\$	4,000,000 With	Within this program, there are some FERC and NERC
4106		\$	\$	× 1	\$	\$ -	-	- \$	\$		mandated items that are included. These are
0			\$	_	\$	\$ -			\$	exb	expected to be managed as part of the overil program
0		- \$	\$		\$	\$ -		- \$	\$	ю .	and are not considered as individual items here.
4004		\$	\$		\$	\$ -		- \$	\$		
4117		- \$	\$		\$	\$ -		5	\$	on the region	
0		<b>-</b> \$	\$	-	\$	\$ -		\$	\$	1	
0		\$	\$	-	\$	\$ -		- \$	\$	- Addi	Additional Justifications:
4104		- \$	\$		\$	\$ -		- \$	\$	- The	The historical availability for the base load hydro plants has
0		- \$	\$		\$	\$ -		- \$	\$	- beer	been declining over the past ten years due to deteriorating
0		\$	\$		\$	\$		- \$	\$	be	equipment and a need to replace some equipment and
0		- \$	\$		\$	\$ -	•	- \$	\$	sks -	systems that are very old. The age of these plants (Post
0		- \$	\$		\$	\$ -	•	- \$	\$	Fall	Falls 105 yrs old, Nine Mile 103 years old, and Upper Falls
0		- \$	\$		\$	\$ -		· \$	\$	6	90 years old) also create some issues due to the band aid
0		- \$	\$	-	\$	\$	-	- \$	\$	 -	investments that have been made over the years to
0		- \$	\$		\$	\$ -	1	5	ş	þe	address immediate problems rather than a programatic
Total		\$ 800,000		800,000	\$ 800,000		800,000		ş	4,000,000	approach as indicated by this program.
Internal Labor /	Internal Labor Availability: Contract Labor:	Internal Labor Availability: □Low Probability ≤ Medium Probability Contract Labor: ☑YES	✓ Medium No	✓ Medium Probability	High Probabity		Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form		✓ NO or not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm committment).
Key Performs Expected Perfor	Key Performance Indicator(s) Expected Performance Improvements KPI Measure: FIII	ments Fill in the name of the KPI here	the KPI h	ere ere							
1.2	-							Prepared	signature		
		<del></del>									
H											
	**************************************	T:						Reviewed	signature		
0.8	Proje	- Project FO Rate									Director/Manager
<u>u</u>	—— Poly.	Poly. (#REF!)									
9							ŏ	Other Party Review signature	w signature	A	Manyi Stevens

Review Cycles 2012-2016

Director/Manager (if necessary) This graph is to provide a place to direct the KPI benefit. Providing a graph is recommended to help communicate what the project is intended to 0.4 0.2

Capital Program Business Case

This space is to be used for photographs, charts, or other data that may be useful in evaulating the Program

Page 3 of 4

To be completed by Capital Planning Group
Rationale for decision

	Template					
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			100	100	980	Section
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**Functional Group:** Generation / Production

**Business Case Name:** Clark Fork Settlement Agreement

ER No: ER Name:

6100 Clark Fork License/Compliance

6103 Clark Fork Implement PME Agreement

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$33,5641

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	8,002	-	-	-	-	-	-	-	-	-	2	-	8,000
2015	13,988	768	864	912	977	1,010	1,028	932	911	977	1,010	1,202	3,395
2016	6,054	178	208	223	243	393	403	403	403	363	323	288	2,631

### **Business Case Description:**

Implementation of Protection, Mitigation and Enhancement (PM&E) programs. License is issued to Avista Corporation for a period of 45 years, effective March 1, 2001, to operate and maintain the Clark Fork Project No. 2058. The License includes hundreds of specific legal requirements, many of which are reflected in License Articles 404-430. These Articles derived from a comprehensive settlement agreement between Avista and over 20 other parties, including the States of Idaho and Montana, various federal agencies, five Native American tribes, and numerous Non Governmental Organizations. We are required to develop, in consultation with the Management Committee, a yearly work plan and report, addressing all PM&E measures of the License. In addition, implementation of these measures is intended to address ongoing compliance with Montana and Idaho Clean Water Act requirements, the Endangered Species Act (fish passage), and state, federal and tribal water quality standards as applicable. License articles also describe our operational requirements for items such as minimum flows, ramping rates and reservoir levels, as well as dam safety and public safety requirements.

### Offsets:

There are no anticipated offsets with this business case.

<sup>&</sup>lt;sup>1</sup>The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



ATTACHMENT 3 Exhibit No.\_\_(KKS-5) Attachment No.\_\_GP-2.1

Investment Name:		lement Agreeme	n <b>t</b>						
Requested Amount Duration/Timeframe	\$12,569,817	5 Year Program		Assessments: Financial:	High - Exceeds	1204 CIPP			
f .	Environmental	o real Flogram		Strategic:	Other	5 1270 OHAIA			
Dept, Area: Owner:		), Bruce Howard (	Dirl	Operational:		uire execution to p	erform at current	levels	
Sponsor:	Marian Durkin	), Diuce Floriaid (	Dily	Business Risk:		n >10 and <= 15			
Category:	Mandatory			Program Risk:		inty around cost, s	chedule and reso	ources	
Mandate/Reg. Reference:	n/a			Assessment Score:	174		Summary - Increa	Selection of the select	
Recommend Program Desc	ription:				Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Implementation of Protecti Corporation for a period of Project No. 2058. The Licen reflected in License Articles between Avista and over 20 agencies, five Native Ameri to develop, in consultation all PM&E measures of the L ongoing compliance with N (fish passage), and state, fe describe our operational re levels, as well as dam safety	45 years, effective se includes hundre 404-430. These A 0 other parties, inc can tribes, and myth the Managem icense. In addition fontana and Idaho deral and tribal wa quirements for itel	March 1, 2001, to deds of specific legal raticles derived from luding the States of merous Non Government Committee, a y, implementation of Clean Water Act reter quality standardms such as minimum	perate and maint equirements, mai a comprehensive Idaho and Montai mental Organizati early work plan ai these measures i quirements, the Ei is as applicable. Li	ain the Clark Fork ny of which are settlement agreement na, various federal ons. We are required nd report, addressing s intended to address ndangered Species Act icense articles also		\$ 12,569,817			
						Annual Cost	Summary - Increa	se/(Decrease)	
Alternatives:		7 2 3 3			Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	requirements or a loss of operationa	alternative enforcen	nent and higher m /dro facilities; in a	ties/fines, new license iltigation costs, and/or ddition, we are subject nent.	n/a	\$ 1000 calls again and the second of the sec		From Moderate to Extreme	20
		Alberto		No the Barth (Principles of Principles ) and "State State St		\$		\$	Ō
						\$	\$ -	\$ -	0
						\$	\$	\$ -	0
Program Cash Flows						list all applicable):		The second secon	
5 years of costs	Completel Court		Other Costs		6103	6100			
Previous	Capital Cost	\$ -	\$ -	Approved -					
2012	*******************************	Š -	\$ -	\$ 5,728,500				Jest Alexine Contests Con 197	Harrier (N. 1944) (N. 1944) Norman (N. 1944) (N. 1944) (N. 1944)
2012			\$ -	\$ 4,655,220	2652 426 X 101 7 5 1 5	204.0134.0154.0104.030.050448	<u> </u>	Inchia di manana di manana	
2014			Š -	\$ 9,341,817					
2015			\$ -	\$ 9,927,956					
2016			\$ -	\$ 14,293,795					
2017	Control of the Contro		\$ -	\$ 15,835,510	ŀ				
2018		part of the second seco	\$ -	\$ 13,302,275					
2019	\$ -	\$ -	\$ -	\$ 5,052,843					
Total	70,286,082		·   \$	\$ 78,137,916	1				
		-looger2800555 00-865-20180-00-655							
Mandate Excerpt (if applic Article 401. The licensed Entered into January 28,	e shall comply wit					Fork Settlement A	greement (CFSA	) (License Application	on Volume III)
				er veg - er eg est gestett til Stocke. S	<u>- Louistan Ang Tulok in di Ali</u>	<u> Andreas and Angles (alternative A</u>			
Additional Justifications: The CFSA establishes proce Management Committee co					Jak Car Vertika trata busan	it to 27 various parti	es. Under this agre	ement, Avista will wo	rk with a
Resources Requirements: (	request forms and	approvals attached	)						
Internal Labor Availability: Contract Labor:	Low Probability  YES	☐ Medium Probability ☐ NO	☑ High Probablity	Enterprise Tech: Facilities: Capital Tools:	YES - attach form YES - attach form YES - attach form	☑ NO or Not Requ ☑ NO or Not Requ ☑ NO or Not Requ	ired labor boxe ired resource of	appropriate box. The in a should be checked to i wners have been contac ense of how likely staff	ndicate if the ted and to provide

AVISTA

### Capital Program Business Case

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_GP-2.2

YES - attach
 -

Fleet:

YES - attach form

NO or Not Required

(this does not require a firm committment).

### **Capital Program Business Case**

ATTACHMENT 3 Exhibit No.\_\_(KKS-5) Attachment No.\_\_GP-2.3



Key Performand	e Indicato	r(s)							
Expected Performa		STATE OF THE PARTY							
KPI Measure:			ne nam	e of the KPI here		1			
				e of the KPI here	rosansoni and in	1			
						Prepared	signature		
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	— Poly. ()								Director/Manager
0.6			***************************************						<b>v</b>
0.4									A
0.4							•	70/1 a	· Clare or a
0.2				This graph is to provide a	place to direct	Other Party Review	signature	Mary	L SY/W/N)
			Į.	the KPI benefit. Providing	g a graph is	(if necessary)			Director/Manager
o <del> </del>	, ,			recommended to help co					-
1	2	3	4	what the project is intend	led to				
	who i control control has	dan mantilitanii							
Capital Budge	t Project	ions							
		<del></del>		2014	2015	2016	2017	2018	
		ļ							
									Core PMEs: assumes 3% labor change, 3% ave GDP and Int adjustment (10 year historical review)
	ER 610	3		3,687,817	3,827,951	4,023,790	4,225,504	4,352,269	
				4					Spilway Crest modifications for YDG- assumes repairs to Bay 2 are complete in 2013 and revised design are completed in late 2013 early 2104. Modify 1 bay in 2014, 2 bays in
	Gu			1,317,000	2,103,000	2,322,000	2,566,000	12,000	2015, 2 bays in 2016, and 2 bays in 2017
	du	,							
		1							Tributatry traps for downstream passage: assumes feasibility study and design 2014 -
				225,000	340,000	425,000	245,000	375,000	2015, with construction anticipated in 2016
				223,000	340,000	425,000	245,000	3/5,000	Cabinet Gorge fishway: assumed to be started post spill 2014 and completed by the start
	Bruce	•							of Q3 2016
				4,900,000	9,900,000	2,500,000	•		Noxon Rapids fishway: assumes project on hold at 30% level with construction to begin
									2016. Some backgroud project work would continue.
				390,000	590,000	3,920,000	7,620,000		
	Min Flov	,							
				250,000	200,000	100,000	100,000	100,000	
	Clark Fork Delta								erosion remediation with Avista contributing 15-25% to the erosion loss. Project to begin In the fall of 2014 through 2015.
	CHIA FOIR DELL	1		1,500,000	1,500,000	.	-		in the left of Forta ritoriki Sorta.
									permitting needs on all construction: Fishway Projects & GSCP
Permitting &	Additional Labo	<u>'</u>		200,000	200,000	20,000	200,000	200,000	change in management of Spillway Crest and additional anticipated labor expenses
				200,000	200,000	20,000	200,000	200,000	Ongoing non-PME capital for facilities maintenance.
									· ·

To be completed by Capital Planning Group	
Rationale for decision	Review Cycles
	2012-2016
	Date Template

13,410,790

15,056,504

5,139,269

18,760,951

12,569,817

Capital Program Business Case

ATTACHM	ENT 3	
Exhibit No	_(KKS-	∙5)
Attachment	No.	GP-2.

AVISTA			

	N.
	85
	8

**Functional Group:** Generation / Production

**Business Case Name:** Generation Battery Replacement

ER No: ER Name:

4108 System Battery Replacement

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$600<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	100	-	-	-	-	-	-	-	-	-	-	-	100
2015	250	-	-	63	-	-	63	-	-	63	-	-	63
2016	250	-	-	63	-	-	63	-	-	63	-	-	63

### **Business Case Description:**

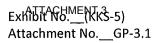
This program is set up around an asset management plan for the station batteries in all generating stations. This is the same as the current battery replacement item. This item will also have some minor fluctuations as the number and size of batteries in any one year can change.

### Offsets:

There are no anticipated offsets with this business case.

<sup>&</sup>lt;sup>1</sup>The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.





Investment Name: Requested Amount	Generation Batt \$160,000	ery Replacemer	<b>)t</b>	Assessments:							ale agreement of the Control	
Duration/Timeframe		Year Program		Financial:	Low - >0% and < 5% CIRR							
Dept., Area:	GPSS			Strategic:	Life Cycle Pro	grams						
Owner:	Andy Vickers			Operational:	Operations so	mewha	at impacted l	y executi	on			
Sponsor:	Jason Thackstor			Business Risk:	ERM Reduction							
Category:	Program			Program Risk:	High certainty	-		A	and the second s	Accession of the Control of the Cont		
Mandate/Reg. Reference:	n/a			Assessment Score:	72	2	Annual Cost	Summary	- Increas	e/(Decrease)		
Recommend Program Desi	cription:				Performance	Ca	pital Cost	0&M	Cost	Other Costs	Business Risk Score	
This program is set up arou stations. This is the same a fluctuations as the number	s the current Batter	y replacment item	. This item will al		Forced outages from battery failures	\$	160,000	\$		\$ -	0	
Face of										se/(Decrease)	D. J. Bliff C.	
Alternatives: Status Quo ;	lue et t	1 4		12.25	Performance	S CONTRACTOR	ipital Cost 120,000	O&M	Cost	Other Costs	Business Risk Score	
Stotus Quo :	We currently have	a battery replacer	ileir piogram in j		5 <b>n/a</b>	\$	120,000	\$				
Alternative 1: Brief name of alternative (if applicable)	\$4 - 43 CA. \$50 A	Ilt in system failures of asset and public at risk	The second secon	\$		\$	- 1	\$	0			
Alternative 2: Brief name of alternative (if applicable)	Describe other opt	ions that were cor	isldered		describe any incremental changes in operations	\$		\$		\$ -	O	
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other opt	ions that were cor	sidered		describe any incremental changes in operations	\$		\$			0	
Program Cash Flows 2012-2016					Associated Ers		applicable);			Feed Sales and Sales and Sales		
2012-2016	Capital Cost	O&M Cost	Other Costs	Approved	4108							
Previous	ACK COLD DATA WAS A STATE OF THE PROPERTY OF T		\$ -	\$ 10,000	\$ 55455		<u>eta dista karatzaka.</u> Kantara Nobel Kanta ere	A	g ellen determi			
2012			\$ -	\$ 160,000		10111111						
2013			\$ -	\$ 111,000	The state of the s	4			<u> </u>	- I the state of t		
2014	\$ 100,000	\$	\$ -	\$ 100,000			Battery I	Replace	ement	Cash Flow		
2015	\$ 183,000	\$ -	\$ -	\$ 250,000								
2016	\$ 115,000	\$ -	\$ -	\$ 250,000	\$210,000	1						
2017			\$ -	\$ 250,000		/			(^-)-			
2018		\$	\$ -	\$ 250,000	\$160,000	1 1						
2019	The state of the s	\$ -	\$ -	\$ 250,000	\$110,000	+						
Future		\$ -	\$ -	\$ -	400.000		_} <del>_</del>		<del>-</del> [ }	-[][]		
Total	\$ 1,135,000	<u> \$</u> -	ļ\$ -	\$ 1,631,000	\$60,000	201	2013	2014	2015	2016 2017	2018	
Mandate Excerpt (If applic	andate Excerpt (If applicable): a											
Additional Justifications: This is part of a life cycle pr have experienced these fail possibility of extensive dam personnel.	ures in the recent p	ast and had been f	ortunate that we	did not loose control o	f the plant. When	ı a battı	ery fails, there	is a risk of	loss of c	ontrol, loss of prot	ection, and the	
Resources Requirements: (	request forms and a	approvals attached	)									
Internal Labor Availability: Contract Labor:	Low Probability	☐ Medium Probability ☑ NO	☑ High Probablity	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	]	☑ NO or Not Requ ☑ NO or Not Requ ☑ NO or Not Requ ☑ NO or Not Requ	ired ired				



### Capital Investment Business Case

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_GP-3.2

Key Performance Indicator(s) Expected Performance Improvements				
KPI Measure: Fill in the name of the KPI here Fill in the name of the KPI here				
	Prepared	signature		
No graph is available	Reviewed	signature	Director/Manager	
	Other Party Review (if necessary)	y <u>signature</u>	Mayu Shuus Director/Manager	
This space is to be used for photographs	s, charts, or other data that ma	y be useful in ev	raulating the Program	
To be completed by Capital Planning Group				
Rationale for decision			Review Cycles 2012-2016	
		Date	Templat	9

Functional Group: Generation / Production

Business Case Name: Hydro Safety Minor Blanket

ER No: ER Name:

6001 Hydro Generation Minor Blanket

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$2331

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	65	-	-	-	-	-	-	-	-	-	-	-	65
2015	70	-	-	18	-	-	18	-	-	18	-	-	18
2016	75	-	-	19	-	-	19	-	-	19	-	-	19

### **Business Case Description:**

Funds periodic capital purchases and projects to ensure public safety at hydro facilities, on and off water, in context of FERC regulatory and license requirements. Hydro Public Safety measures as described in the Federal Energy Regulation Commission (FERC) publication "Guidelines for Public Safety at Hydropower Projects" and as documented in Avista's Hydro Public Safety Plans for each of its hydro facilities.

### Offsets:

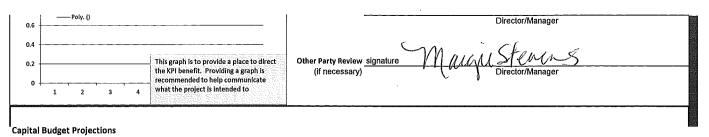
There are no anticipated offsets with this business case.

<sup>&</sup>lt;sup>1</sup>The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Hydro Safety Minor Blar	iket	Assessments:								
Requested Amount Duration/Timeframe	\$65,000 Lifetime Year Pr	ogram	Financial:	MH - >= 9% &	<12% CIRR						
Dept, Area:	Environmental	TO A POINT OF THE PROPERTY OF	Strategic:	Other Operations require execution to perform at current levels ERM Reduction >10 and <= 15							
Owner: Sponsor:	Michele Drake (Coor); Bru Marian Durkin	ice Howard (Dir)	Operational: Business Risk:								
Category:	Mandatory		Program Risk:	Moderate certainty around cost, schedule and resources  160 Annual Cost Summary - Increase/(Decrease)							
Mandate/Reg. Reference: Recommend Program Des	FERC Hydro Public Safety	y Guidelines	Assessment Score:	160 Performance	Capital Cost	St Summary - I	Selfortions between Classical Annual Con-	Business Risk Score			
Funds periodic capital purc	hases and projects to ensure ry and license requirements	public safety at hydro facilii	tles, on and off water,	n/a	\$ 65,00		- \$ -	4			
9.000 State											
								The second secon			
				<u>Francisco de la companya del companya del companya de la companya</u>	Annual Co	st Summary - I	ncrease/(Decrease)				
Alternatives:				Performance	Capital Cost	O&M C		Business Risk Score			
Alternative 1: Funded	Funding of this program red and near the Hydro Facilities and are referenced as poart	s. These requirements com	e from Federal Law	n/a	\$ 65,00	0 \$ = =	Martin   M	20 Section			
Alternative 2: Unfunded	Potential compliance issues life or injury and increased i				\$ -	\$	- from moderate t extreme	o 4			
	Proceedings of the Common Comm						2 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -				
		The second secon		2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2							
Program Cash Flows 5 years of costs	Company of the Compan			Associated Ers (	list all applicable): 600						
	Annual Control of the	VI Cost Other Costs	Approved								
Previous 2012	\$ - \$ \$	-  \$ -  \$	\$ 35,000								
2013		- \$	\$ 5,000								
2014 2015		- \$ - 5 - \$	\$ 88,000 \$ 70,000								
2016		- \$	\$ 75,000								
2017 2018		-   \$ - -   \$ -	\$ 80,000 \$ 80,000								
2019	\$ - \$	- \$	\$ 80,000								
Tota	\$ 370,000   \$	-  \$ -	\$ 513,000								
							•				
Mandate Excerpt (if applic	ablet:										
Section 10© of the Feder	al Power Act authorizes the										
Engineer an applicant, or	nealth and property. Title 1 licensee must install, oper	8, Part 12, Section 42 of t ate and maintain any sign	s, lights, sirens, barri	ers or other safe	s mat, To the sai	isiaction of, ar iay reasonably	nd within a time specifie / be necessary.	d by the Regional			
Additional Justifications:											
Hydro Public Safety measu	res as described in the Federa	l Energy Regulation Commi	ssion (FERC) publication	n "Guidelines for	Public Safety at Hy	dropower Proje	ects" and as documented	in Avista's Hydro			
Public Safety Plans for each	of its hydro facilities.	The State of the S									
D-00-700-700-700-700-700-700-700-700-700											
Resources Requirements:	(request forms and approvals	attached)				Cha	ck the appropriate box. The	Internal and contract			
Internal Labor Availability: Contract Labor:	Low Probability Medium YES NO	Probability High Probability	Enterprise Tech: Facilities:	YES - attach form		equired labo	r boxes should be checked t	o indicate if the			
CONTRACT LADOI:			Capital Tools:	YES - attach form	✓ NO or Not R	equired a ge	urce owners have been con neral sense of how likely sta	ff will be provided			
			Fleet:	YES - attach form	NO or Not R	equired (this	does not require a firm con	nmittment).			
Key Performance Indicator											
Expected Performance Improver KPI Measure:	nents FERC's Annual Dam Safety Ir	nspections, Public Use Inspe	tction (conducted appro	oximately once ev	very five years) and	l review & appr	oval of Avista's submittal	s.			
L	a maga at the construction of the construction of the first of the construction of the		] Prepared	signature							
1.2											
1											
0.8 Project FO	Rate		Reviewed	signature							

### Avista



		2014	2015	2016	2017	2018	
	1 (2005)						Dam Safety anticipated need for safety equipment
	ER 6001	65,000	70,000	75,000	80,000	80,000	
H04		65,000	70,000	75,000	80,000	80,000	
	ER 7108	265,000	195,000	125,000	125,000		Franchising / Permit Renewals assume 40 year Railroad permit renewals on existing substations & equipment on the John Wayne Pioneer Trail

HED	Year	Description	Est Cost
Cabinet Gorge	2014	K-rated gate at main entrance, S. entrance, and overlook entrance (all equipped with intercom, card swipe, and CCTV)	\$65,000
Noxon Rapids	2015	K-rated gate at main entrance, S. entrance, and near substation (all equipped with intercom, card swipe, and CCTV)	\$70,000
Long Lake	2016	K-rated gate at main entrance (equipped with intercom, card swipe, and CCTV)	\$25,000
Nine Mile	2016	K-rated gate at main entrance (equipped with intercom, card swipe, and CCTV)	\$25,000
Post Falls	2016	K-rated gate at main entrance (equipped with intercom, card swipe, and CCTV)	\$25,000
Long Lake	2017	Down Stream Warning System	\$80,000
Nine Mile	2018	Down Stream Warning System	\$80,000

To be completed by Capital Planning Group		
Rationale for decision	Reviev	r Cycles
	2012	-2016



Date	Template

Functional Group: Generation / Production

Business Case Name: Little Falls Plant Upgrade

ER No: ER Name:

4152 Little Falls Powerhouse Redevelopment

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$27,7001

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	14,300	3,800	-	-	10,500	-	-	-	-	-	-	-	-
2016	9,000	-	-	-	9,000	-	-	-	-	-	-	-	-

### **Business Case Description:**

The existing Little Falls equipment ranges in age from 60 to more than 100 years old. The Company has experienced an increase in forced outages at Little Falls over the past six years has significantly increased (from approximately 20 hours in 2004 to several hundred hours in the past three to four years) due to equipment failures on a number of different pieces of equipment. This project will replace nearly all of the old, unreliable equipment with new. This includes replacing two of the turbines, all four generators, all generator breakers, three of the four governors, all of the automatic voltage regulators, removing all four generator exciters, replacing the unit controls, changing the switchyard configuration, replacing the unit protection system, and replacing and modernizing the station service.

### Offsets:

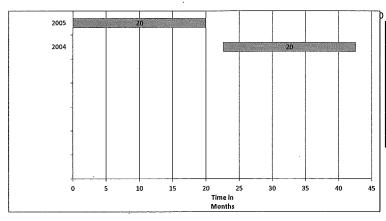
The attached business case shows O&M Offsets of \$20,000. It was determined that these savings are related to employee labor that will be redistributed to other projects and does not result in an overall labor savings.

<sup>&</sup>lt;sup>1</sup>The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Little Falls Plant Upgrade (Revised)						
Requested Amount	\$56,100,000	Assessments:					
Duration/Timeframe	8 Year Project	Financial:	MH - >= 9% & ·	Commence of the control of the superior of the property			
Dept, Area:	GPSS	Strategic:	Generating Fle				
Owner:	Andy Vickers	Operational:		roved beyond cur	rent levels		
Sponsor:	Jason Thackston	Business Risk:	ERM Reduction				
Category:	Project	Project/Program Risk:	High certainty a	around cost, sched	dule and resources		
Mandate/Reg. Reference:	n/a	Assessment Score:	104.5	Cost Sui	mmary - Increase/(£	Pecrease)	
Recommend Project Descr	iption:		Performance	Capital Cost	O&M Cost	Other Costs	<b>Business Risk Score</b>
experienced an increase in (from ~20 hours in 2004 to failures on a number of diff equiment with new. this in breakers, three of the four	piment ranges in age from 60 to more than 100 years old forced outages at Little Falls over the past six years has s several hundred hours in the past three to four years) di ferent pieces of equipment. This project will nearly all of cludes replacing two of the turbines, all four generators, governors, all of the AVR's, removing all four generator of switchyard configuration, replacing the unit protection s	elgnificantly increased ue to equipment the old, unreliable , all generator excters, replacing the	there would be some performance improvement	\$ 56,100,000	\$ (20,000)		3
		300 x 100 x		Cost Sur	mmary - Increase/([	Pecrease)	
Alternatives:			Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo :	Forced outages and emergency repairs would continue the reliability of the plant. At some point, personnel m back in the plant.		n/a	\$	\$ 20,000	\$ 150,000	12
Alternative 1: Brief name of alternative (if applicable)	This would replace the two items that are currently in t and then continue to use the older equipment. This co older equipment for reliability purposes. This would or Force Outage rate for the plant.	ntinues to rely on this	Major personnel safety would be addressed	\$ 5,000,000	\$ 20,000	\$	9
Alternative 2: Brief name of alternative (if applicable)	This would replace the major cost items, but the station would continue to cause an increasing unplanned outain replacement and down time costs would be much less		Would reduce the outage times	\$ 51,000,000	\$	\$	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered		describe any incremental changes in operations	\$ 100 miles   100	Statement of the statem	\$	0

### Timeline



### Construction Cash Flows (CWIP)

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 1,800,000	\$ -	\$	\$ 1,800,000
2012	\$ 3,200,000	\$ -	\$	\$ 2,000,000
2013	\$ 6,500,000	\$ -	\$ -	\$ 5,000,000
2014	\$ 9,400,000	\$	\$ -	\$ 9,500,000
2015	\$ 8,800,000	\$	\$ -	\$ 8,800,000
2016	\$ 9,400,000	\$ -	\$ -	\$ 9,400,000
2017	\$ 8,800,000	\$ -	\$ -	\$ 8,800,000
2018	\$ 6,200,000	\$ -	\$	\$ 6,200,000
2019	\$ -	\$ -	\$ -	\$
Future	\$ 2,000,000	\$ -	\$ -	\$
Total	\$ 56,100,000	\$ -	\$ -	\$ 51,500,000

Milest	ones l	(high	leve	tare	ets)
ARTON CONTRACTOR	0.000		outenous h	OCP-CHISCO, T	obstitution, ci

October-10 Project Started
July-12 AVR/Breaker Replacement
February-12 AVR/Breaker Work Complete
July-13 Demolition Complete
January-14 Station Service Complete

March-14 June-14 June-14 July-14 March-15 Control Room Installed Control Panels Installed Switchyard Work Complete First Unit Out of Service (OOS) Rirst Unit Returned to Service (R' July-15 March-16 July-16 March-17 7/1/117

Second Unit OOS Second Unit RTS Third Unit OOS Third Unit RTS Fourth Unit OOS

### Associated Ers (list all applicable):

4102 4103

Mandate Excerpt (if applicable):

This is not a mandated item.

### Additional Justifications:

Because of the age and condition of all of the equipment of the plant, all of the equipment has been qualified as obsolete in accordance with the obsolescence criteria tool. The Asset Management tool has been applied to Little Falls and also supports this project. The Asset Management studies that have been done to date are still subject to further refinements, but the general conclusions support this project. There are many items in this 100 year old facility which do not meet modern design standards, codes, and expectations. This project will bring Little Falls to a place where it can be relied on for another 50 to 100 years. Finally, this project will need to be worked in coordination with our Indian Relations group as the Little Falls project is part of a settlement agreement with the Spokane Tribe.



Internal Labor Availability: Contract Labor:		approvals attached 	High Probablity	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form	NO or Not Required
Key Performance Indicato Expected Performance Improve KPI Measure:	ments Forced Outage Ho	ours		Prepared	signature	
600 ——Project F	O Rate			Reviewed	signature	Director/Manager
200 2004 2005	2006 2007 2	2008 2009 2010	2011	Other Party Reviev	w signature	Maryu Stuurs Director/Manager
1	Pla	nt Availability			1	Estimated Annual Cash Flow
0.98 0.96 0.94 0.92 0.9 0.86 0.86 0.86 0.86 0.82 0.8 2001 2002	2003 2004	Trend Line 2005 2006	2007 2008	2009 2010	0.9 0.8 0.7 0.6 0.5 0.4 0.3 0.2 0.1 0.1 0.1 0.1 0.1	0.75 0.75 0.65 0.75 0.75 0.75 0.75 0.75 0.75 0.75 0.75 0.75 0.75 0.75 0.75 0.75
originally som a new station Another consi	e of the station ser service and panel r deration is that sor	vice and switchyard coom installed before me fo the major cost	work was conten we start work o componenets (i.	nplated to be done in f n the generating units e. turbine runners, gen	uture years but with be themselves. This resu erator stators, govern	or the 2013 budget year. The reason for this request is that better project planning, we have now determined that we must get ults in shifting the unit ugrade work an additionall year.  nors) will not be bid and procurred for a year or so. The actual ne a more comprehensive scope of work.
To be completed by Ca Rationale for decision	npital Planning G	Proup			Date	Review Cycles 2012-2016 Template

**Functional Group:** Generation / Production

Business Case Name: Nine Mile Hydroelectric Development Rehabilitation & Modernization

ER No: ER Name:

4140 Nine Mile Redevelopment

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$56,3001

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	5,175	-	-	-	-	-	-	-	-	-	126	5,049	-
2015	51,323	-	-	-	-	2,000	-	-	-	1,000	-	-	48,323
2016	9,871	519	79	83	76	79	1	-	34	-	-	-	9,000

### **Business Case Description:**

This program is to rehabilitate and modernize the 4 unit Nine Mile Hydroelectric Development. This program includes projects to replace Units 1 and 2, which are more than 100 years old. In addition, a new warehouse will be constructed, new tail race gate system will be added, new grounding and communications will be added, a barge landing will be added, a cottage will be removed and another remodeled, a new panel room will be added, Units 3 & 4 will be overhauled and modernized, the powerhouse will be restored, a new access gates and controls will be added and other improvements will be made.

### Offsets:

There are no anticipated offsets with this business case.

<sup>&</sup>lt;sup>1</sup>The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Nine Mile Rehab	Program					or secondary was a company of the secondary			
Requested Amount Duration/Timeframe	\$90,913,000	Year Project		Assessments: Financial:	14.00%		200			
Dept, Area:	GPSS			Strategic:		ant Modernization		arana aran Najiri		
Owner:	Andy Vickers			Business Risk:		Reduction >10 ar				
Sponsor:	Jason Thackston			Project Risk:	High certainty	around cost, sche	dule and resource	S		
Category: Mandate/Reg. Reference:	Project n/a			Assessment Score:	#NAME?	Annual Cas	t Summary - Increa	en/(Narvasen)		
Recommend Project Desc	The state of the s			Assessment score.	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score	
This program is to rehability replace Units 1 and 2 which will be constructed, new the added, a barge landing will room will be added, Units new access gates and contact the second will be added.	ate and modernize t h are more than 100 ill race gate system w be added, a cottage 3 & 4 will be overhau	years old and are vill be added, new will be removed a led and modernize	wore out. In add grounding and co nd another remo ed, the powerhou	ition, a new warehous ommunications will be deled, a new panel ise will be restored, a	to increase e capacity,	\$ 90,913,000		\$ 1000000000000000000000000000000000000	A	
						Annual Cos	t Summary - Increa	se/(Decrease)		
Alternatives:					Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score	
Unfunded Project:	Currently both Unit mechanically wore replace these units	out. A FERC licens		and the control of the second section of the second	n/a			\$	16	
Alternative 1: Brief name	Describe other opti	ons that were con	sidered		describe any	\$ -	\$ -	\$ =	4	
of alternative (if applicable)					incremental changes in operations					
Alternative 2: Brief name of alternative (if applicable)	Describe other opti	ons that were con	sidered		describe any incremental changes in operations	\$	\$	\$	0	
Alternative 3 Name: Brief	Describe other opti	ons that were con	sidered	70 (2008)	describe any	\$	\$ -	\$ -	0.	
name of alternative (if applicable)					incremental changes in operations					
				5195570p5500000000000000000000000000000000						
Program Cash Flows	Capital Cost	O&M Cost	Other Costs	Approved		Associated Ers (list	all applicable):	and the second		
Previous		\$ -	\$ -	\$ 10,612,83	8	Associated Era (iisi	ан аррисавтер.	. Assessment and a second		
201		\$ -	\$ -	\$ 11,399,00	The state of the s		Elsanton was			
2014	E - 00 ( - 00 ( - 00 ( - 0 ) ) )	\$ -	\$ -	\$ 26,700,00						
2015 2016		\$ -	\$ - \$ -	\$ 21,076,91 \$ 8,523,17						
2012 2018 2019 Tota	\$ 13,315,000			\$ 4,901,63 \$ 5,348,16 \$ 998,59 \$ 78,947,49	9 9 0 3					
ER 4140	<b>2013</b> \$ 15,379,000	<b>2014</b> \$ 21,505,000	2015 \$ 10,193,000	\$ 6,000,000	2017 0 \$ 13,315,000	Total \$ 66,392,000	Mandate Excerpt	(If applicable): Itation of the law o	r regulation and a	
D D D D	\$ - \$ - \$ - \$	\$ - \$ - \$ - \$ -	\$ - \$ - \$ - \$ -	\$ 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5 5	\$ - \$	\$ - \$ - \$ - \$ - \$ -	the first of the service of the second of the service of the servi	rence number if p	ala la sa Tanàna Amin'ny kaominina dia kaominina dia kaominina dia kaominina dia kaominina dia kaominina dia k	
0 0 0	\$	\$ -	\$ -	\$ -	\$ -	\$ -			BITTO DE SANTONIO DE LA CONTRACTOR DE LA C	
	\$ - \$ -	\$ - \$ -	\$ -	\$ - \$ -2	\$ -	\$ .	Additional Justific	A.O C C C C C C C	e manufacture (Color	
	\$ -	\$ -	\$ -	\$ -	\$ - \$ -	\$ -	A CONTRACTOR OF THE PARTY OF TH	itary information the ore detail the nature	The second of the second secon	
9	\$ -=	\$ -	\$	\$ -	\$ -	\$ -		urgency, etc.	, roject, the	
0	\$	<b>\$</b> [5]	\$ -	\$	\$ -	\$ -				
	\$ 2 2	\$	\$ -	\$ .	\$ -	\$ -				
0	\$ -	\$ - \$ -	\$ - \$ -	\$ = \$ =	\$ - \$ -	\$ - \$ -				
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -				
Total	\$ 15,379,000	\$ 21,505,000	\$ 10,193,000			\$ 66,392,000				
Milestones (high level January-00 January-00 January-00 January-00 January-00 January-00	targets) open open open open open open open open		January-00 January-00 January-00 January-00 January-00 January-00	open open open open open open		January-00 January-00 January-00 January-00 January-00 January-00	open open open open open open	Use your jud	hould be general. gement on project that progress can	

AVISTA

Capital Project Business Case

Exhibit No. AT (KKS 15) ENT 3 Attachment No.\_\_GP-6.2

Contract Labor:

YES

□ NO

Facilities:

YES - attach form

☐ YES - attach form ☐ NO or Not Required

Fleet:

YES - attach form NO or Not Required

### Capital Project Business Case

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_GP-6.3



ted Performan	n Indicator(s) ce Improvements		
Measure:	Fill in the name of the KPI here Fill in the name of the KPI here		
1.2	And the state of t		
	#REF!		
1	#REF!		
0.8	#REFI ——Project FO Rate	Prepared signature	
0.0	— Poly. (#REFI)		
0.6			
0.4		Revlewed signature	
0.4		Director/Manager	
0.2		JAAGA TO Starrage	
0		Other Party Review signature // W. Director/Manager	
0 1	1	(if necessary) Director/Manager	
		•	

Rationale for decision		Review Cycles
		2012-2016
	Date	Template

**Functional Group:** Generation / Production

**Business Case Name:** Regulating Hydro

ER No: ER Name:

4148 Regulating Hydro

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$9,8991

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	3,027	-	-	-	-	-	-	-	-	-	438	90	2,500
2015	4,136	-	-	-	-	-	-	-	-	-	-	-	4,136
2016	3,533	-	-	-	-	-	-	-	-	-	-	-	3,533

### **Business Case Description:**

This program is to cover the capital maintenance expenditures required to keep these plants operating at their current performance. The program will work to improve the reliability of these plants so that their value can be maximized in both the energy and ancillary markets. These plants are Long Lake, Little Falls, Noxon Rapids and Cabinet Gorge.

### Offsets:

There are no anticipated offsets with this business case.

<sup>1</sup>The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_GP-7.1



Investment Name:	Regulating Hydi	0		1						
Requested Amount	\$3,500,000			Assessments:				100		
Duration/Timeframe		Year Program		Financial:	High - Exceed					
Dept, Area:	GPSS			Strategic:	Generating Flo	-100		112.12		
Owner:	Andy Vickers			Operational: Business Risk:	Operations im Business Risk		The second secon			
Sponsor: Category:	Jason Thackston Program	10 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0		Program Risk:				lule and resource	ig	
Mandate/Reg. Reference:	n/a			Assessment Score:	88	_		Summary - Increa	The second secon	
Recommend Program Desc				prosessment score:	Performance	A SAN PROPERTY OF	apital Cost	O&M Cost	Other Costs	Business Risk Score
This program is to cover the	Critical Catalogue and Commission	o evnenditures rec	wired to keen the	see plants operating at	describe any	\$	3,500,000	\$ -	\$ -	10
their current performance. value can be maximized in l	The program will w	ork to improve the	reliability of the	e plants so that their	incremental changes that this Program would benefit present operations			Summary - Increa		
Alternatives:					Performance	l c	apital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo:	Current work has be this group of assets needs.			h avialability rate for ing to equipment	n/a	\$	1,890,000	\$ -	\$	15
Alternative 1: Brief name of alternative (if applicable)	We could reduce s availability but red load following serv	ucing ancillary serv		decrease in overall e. no Cabinet reserves,	describe any incremental changes in operations	\$	2,200,000		\$ -	15
Alternative 2: Brief name of alternative (if applicable)	Describe other opt	ions that were con	sidered		describe any incremental changes in operations	\$			\$	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other opt	ions that were con	sidered		describe any incremental changes in operations	\$		\$	\$ -	0
Program Cash Flows					Associated Ers	flict all	l annlicable)			
2012-2016					4000		4102			
2022 2020	Capital Cost	O&M Cost	Other Costs	Approved	4003		4103			
Previous	<del></del>	West from standard or and to a Company	\$ -	\$ 1,890,000	4004		4105	Salasanne versi		
2012	\$ 3,500,000	\$	\$ -	\$ 2,533,000	4100					A Salah dalah yanga
2013		\$ -	\$ -	\$ 2,233,000			3/3(L)(10-1/1-1/1-1/1-1/1-1/1-1/1-1/1-1/1-1/1-1	Drogram Cash	Tlaw	
2014		\$ -	\$ -	\$ 2,833,000				Program Cash	FIOW	
2015		\$ .	\$ -	\$ 3,533,000			<b>4</b>			
2016		\$ -	\$ -	\$ 3,533,000	\$4,000,0		-616	1616	$1-\alpha-\alpha$	
2017		\$ -	\$ -	\$ 3,533,000	\$3,000,0	00 🏌				
2018	On the contain to the contain the contain the Contain to	\$ - \$ -	\$ -	\$ 3,533,000 \$ 3,533,000	\$2,000,0	00 <b>/</b>				
Future		\$ - \$ -	\$ -	\$ 3,533,000	\$1,000,0	00 🚩				
Total		and the second s	\$ -	\$ 27,154,000	- 11	. 14		<i>,</i> , , , ,	<i>J</i> . []	
Tutal	25,830,000	<del> </del>		\$ 27,134,000			2012 2013	2014 2015	2016 2017	2018
Mandate Excerpt (if applic Within this program, ther individual items here.		and NERC man	dated items that	are included. These	are expected to	o be n	nanaged as p	art of the overli p	rogram and are not	considered as
Additional lives Parella										
Additional Justifications:	-fable			and The CIDO referred	- J C XIII		4 070/ 5	and development 407 to	and the time of the test of	
The magnitude of the value very important for this class availability of Little Falls du what is commonly referred plants, voltage regulating n	s of assets. While the e to aging equipmer to as the ancilary se	e purpose of this p It and failures of th Prvices from these g	rogram is to susta at equipment. The generating assets.	ain our current level of nis is being addressed in This include installing	unit availability fo a separate proje blow down syste	or thes ect requests ms to	e plants, indivi uest. Addition allow for spinn	dually, we have be ally, efforts will be Ing reserves, movi	en experiencing a dec made within this prog	cline in the gram to improve
Resources Requirements: (	request forms and a	pprovals attached)					Carallana and America			
Internal Labor Availability: Contract Labor:	Low Probability  YES	☐ Medium Probability ☐ NO	High Probability	Enterprise Tech: Facilities: Capital Tools: Fleet:	✓ YES - attach form  ☐ YES - attach form  ☐ YES - attach form		☐ NO or Not Requ ☑ NO or Not Requ ☑ NO or Not Requ ☑ NO or Not Requ	ired ired		



Key Performance Indicator(				·
Expected Performance Improvement KPI Measure:  1.78 1.68 1.58 1.48 1.38 1.28 1.18 1.08 0.98 0.88	Availability	#REFI	Prepared Reviewed Other Party Review (if necessary)	signature  Signature  Director/Manager  w signature  Director/Manager
	Typical Program Schedule I	Plan		
	4 6 8		10 12	

Rationale for decision		Review Cycles
		2012-2016
	Date	Template

**Functional Group:** Generation / Production

**Business Case Name:** Spokane River License Implementation

ER No: ER Name:

6107 Spokane River Implementation (PM&E)

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$17,1921

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	(9)	-	-	-	-	-	-	-	-	-	(16)	6	-
2015	462	39	39	39	39	39	39	39	39	39	39	39	38
2016	16,898	36	36	36	36	36	36	36	36	36	36	37	16,501

### **Business Case Description:**

The Spokane River Project capital projects fulfill FERC's license requirements related to wetlands, water quality, recreation, and land use improvements that will lead to improvements located at Nine Mile, and Lake Spokane (the Long Lake Dam reservoir). The water quality improvements and wetland acquisition and/or enhancements are mandatory conditions included in the License as part of the Washington and Idaho 401 Water Quality Certifications, whereas the recreation and land use projects are FERC's License requirements. This year we will continue modeling a number of potential total dissolved gas remedies for Long Lake Dam, and monitoring low dissolved oxygen (DO) in the tailrace below the dam to determine if the aeration equipment we installed in previous years will sufficiently meet the State's water quality standards. We are also installing additional aeration equipment in the Long Lake Powerhouse to further improve DO in the tailrace. We completed the channel modifications at Upper Falls last fall, which were approved by the Washington Department of Ecology. We will work to complete the required Nine Mile and Lake Spokane recreation projects during this year's construction season.

### Offsets:

There are no anticipated offsets with this business case.

<sup>&</sup>lt;sup>1</sup>The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Investment Name:	Spokane River License Implementation						
Requested Amount	\$2,902,000	Assessments:					CHARLET IN THE PARTY WAS A STREET
Duration/Timeframe	50 Year Program	Financial:	12.00%				
Dept Area:		Strategic:	Community vitality	Ą			
Owner:	Fitzhuah (Mar); Bruce Howard (Dir)	Business Risk:	Business Risk R	Business Risk Reduction >10 and <= 15	<= 15		
Sponsor:	1000	Program Risk:	Moderate certain	Moderate certainty around cost, schedule and resources	hedule and resou	rces	
Category:							
Mandate/Reg. Reference:	FERC Project No 2545-091	Assessment Score:	179		Annual Cost Summary - Increase/(Decrease)	se/(Decrease)	
Recommend Program Description:	cription:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Implementation of Protection, M License for Project 2545. Include through settlement agreements	Implementation of Protection, Mitigation and Enhancement (PM&E) programs related to the FERC License for Project 2545. Includes items enforceable by FERC, mandatory conditioning agencies, and through settlement agreements	ed to the FERC Ig agencies, and	n/a	\$ 2,902,000	•	W.	
A STATE OF THE STA				Annual Cost	Annual Cost Summary - Increase/(Decrease)	se/(Decrease)	
Alternatives:			Performance	Capital Cost	O&M Cost	Other Costs	<b>Business Risk Score</b>
Unfunded Program:	We are subject to License enforcement directly from the Federal Energy Regulatory Commission, independent enforcement of certain measures by federal and state agencies under their delegated authorities, and third-party claims by those with whom we entered settlement agreements. We are also subject to citizen lawsuits in certain settings for non-compliance. If the License conditions are not funded, there is the potential for penalties, extensive legal costs, alternative mitigation costs, and/or loss of operation flexibility of the hydro facilities, or the loss of a license to operate in extreme cases.	e Federal Energy strain measures by tities, and third-party ements. We are also npliance. If the for penalties, r loss of operation o operate in extreme	الراح	, •	<b>S</b>	Φ.	
				\$	\$	<b>✓</b>	8
				·		•	0
						-	
Program Cash Flows		A. C.		evil) 2 Programmy	oll amiliantials		25 Per 1
Previous	\$ 3192,000 \$	Approved 3.197.000		Associated ats (list all applicable).	all applicable).		
2014 \$	\$ 2,902,000						

# Capital Program Business Case

2015 \$	11,262,000   \$	4,443,970	\$	\$ 11,327,900		7 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -
2016 \$	2,591,000 \$	4,466,092	- \$	\$ 3,632,250		
2017 \$	\$ 000'625		· \$	\$ 516,450		
2018 \$	\$ 000'625		- \$	\$ 468,250		
\$ 6102	\$ -		\$	\$ 532,700		
\$ 40202	\$ -		\$	\$ -		
Total \$	21,055,000 \$	13,225,554	٠.	\$ 21,901,550		

ER	2015	2016	2017	2018	2019	Total	Mandate Excerpt (if applicable):
2019	\$ 11,262,000	\$ 2,591,000	\$ 529,000	\$ 579,000	\$	\$ 14,961,000	The Federal Energy Regulatory Commission issued a
0	- \$	- \$	\$	<u>-</u>	- \$	- \$	License to Avista Corporation for a period of 50 years,
	\$	\$	- \$	\$	- \$	- \$	effective June 18, 2008, to operate and maintain the
	- \$	- \$	- \$	\$	\$	- \$	Spokane River Project No 2545-091, which consists of
	- \$	- \$	- \$	5	- \$	- \$	the Post Falls HED, Upper Falls HED, Montroe Street
	- \$	- \$	- \$	\$	- \$	- \$	HED, Nine Mile HED and Long Lake HED.
	\$	\$	- \$	\$	\$	- \$	
0	\$	\$	- \$	\$	- \$	- \$	Additional Justifications:
0	\$	- \$	\$	\$	\$	\$	This License defines how Avista shall operate the Spokane
0	- \$	- \$	- \$	- \$	- \$	\$ \$	River Project and includes several hundred requirements
O STATE OF THE STA	\$	- \$	- \$	- \$	- \$	\$	that we must meet to retain this License, Overall, the
	\$	- \$	- \$	<b>-</b>	- \$	\$	License is issued pursuant to the Federal Power Act. It
	- \$	- \$	- \$	- \$	\$	- \$	embodies requirements of a wide range of other laws,
0	- \$	- \$	- \$	**************************************	\$	\$	including the Clean Water Act, the Endangered Species Act,
0	- \$	- \$	- \$	\$	\$	- \$	the National Historic Preservation Act, among others. These
0	\$	- \$	\$	\$	- \$	- \$	requirements are also expressed through specific license
							articles (or Protection, Mitigation and Enhancement
	124 July 2007						Measures), relating to fish, terrestrial resources, water
							quality, recreation, education, cultural, and aesthetic
							resources at the Project. In addition, the License
							incorporates requirements specific to a 50 year settlement
							agreement between Avista, the Department of Interior and
							the Coeur d'Alene Tribe, which includes specific funding
					100		requirements over the term of the License. Avista entered
							into additional two-party settlement agreements with local
							and state agencies, and the Spokane Tribe; these
							agreements also include funding commitments. The License
							references our requirements for land management, dam
							safety, public safety and monitoring requirements, which
							apply for the term of the License.
Total	\$ 11,262,000	\$ 2,591,000	\$ 529,000	\$ 579,000	- \$	\$ 14,961,000	

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Case
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Program
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here here here This graph is to provide a place to direct the KPI benefit. Providing a graph is recommended to help communicate what the project is intended to Substituted Major Project Affecting Lands of	Prepared signature	Reviewed signature Director/Manager	Other Party Review signature THULLY SELLURS (if necessary)		The Spokane River License is also subject to specified protection, mitigation and enhancement activities and mandatory conditions by the Idaho Department of Environmental Quality (401 Water Quality Certification, issued June 5, 2008), the Washington Department of Ecology (401 Certification, issued on May 8, 2009), the US Department of Interior (Federal Power Act 4(e), issued January 27, 2009), and articles set forth in Form L-1 (entitled "Terms and Conditions of License for Constructed Major Project Affecting Lands of the United States").	
	s) Fill in the name of the KPI here Fill in the name of the KPI here			This graph is to provide a place to direct the KPI benefit. Providing a graph is recommended to help communicate what the project is intended to	The Spokane River License is also subject to specified protection, mitigation and enhancement activities and m (401 Water Quality Certification, issued June 5, 2008), the Washington Department of Ecology (401 Certification (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued June 3, issued June 3, issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued June 3, issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued June 3, issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power Act 4(e), issued May 4, 2007), the US Department of Interior (Federal Power	

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**Functional Group:** Generation / Production **Business Case Name:** Base Load Thermal Plant

ER No: ER Name:

4149 Base Load Thermal

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$6,700<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	201	-	-	-	-	-	-	-	-	-	38	163	-
2015	2,200	-	-	-	-	-	-	2,200	-	-	-	-	-
2016	2,200	-	-	-	-	-	-	2,200	-	-	-	-	-

### **Business Case Description:**

This program is necessary to sustain or improve the existing operating costs of Coyote Springs 2, Colstrip, and Kettle Falls. Work includes replacement of items identified through asset management decisions and programs necessary to maintain reliable and low operating costs of these plants. As this program proceeds, it is expected that forced outage rates and forced de-rates of these facilities will decrease to a level one standard deviation less than current average.

### Offsets:

There are no anticipated offsets with this business case.

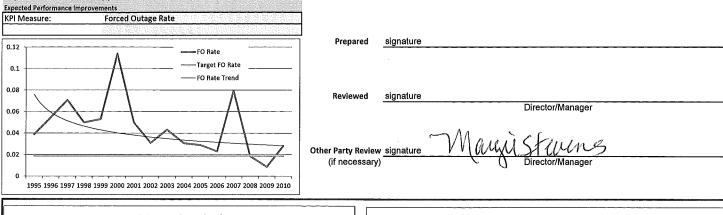
<sup>1</sup>The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

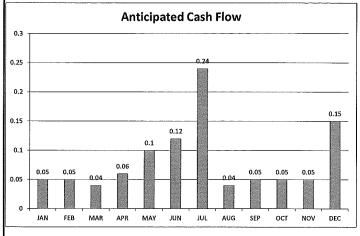


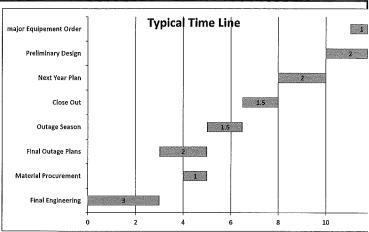
Investment Name:	Base Load The	rmal Plant								
Requested Amount	\$6,500,000	VB		Assessments:	Usek Francis	- 100	CIDD			
Duration/Timeframe	ongoing GPSS / Power S	Year Program		Financial: Strategic:	High - Exceed Generating Flo	100 C	and the state of t			
Dept, Area: Owner:	Andy Vickers	iuppiy		Operational:				erform at curren	levels	
Sponsor:	Jason Thackston	n		Business Risk:	ERM Reduction				-52 555	
Category:	Program			Program Risk:	High certainty	arour	nd cost, sched	dule and resource	98	
Mandate/Reg. Reference:	n/a			Assessment Score:	94		Annual Cost	t Summary - Increa	ise/(Decrease)	
Recommend Program Desc	ription:			17 118	Performance	C	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program is necessary to generating stations. This pr Work includes replacement necessary to maintain relial expected that forced outage standard deviation less than	ogram is specificall of items identified ole and low operati e rates and forced o	y for Coyote Spring through asset man ng costs of these pl derates of these fac	s 2, Colsstrip, Ket agement decisior ants. As this prog liltles will decreas	tie Falls, and Lancaster. is and programs tram proceeds, it is ie to a level one	This will improve the forced outage rate for these plants by an overall 0.1%	\$	2,200,000	\$ -	\$	8
Alternatives:					Performance	C	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo:	over time. These	degrades have beer	offset with work	rmance has degraded that is included in a ependent of the other,	n/a	\$				15
Alternative 1: Brief name of alternative (if applicable)	The program can I the Goal	be reduced in amou	nt and effectiven	ess in accomplishing	current trend would be reduced.	\$	5,500,000	\$ 12000000000000000000000000000000000000	\$	10
Alternative 2: Brief name of alternative (if applicable)	Describe other op	tions that were con	sidered		describe any incremental changes in operations	\$	Section (Section 1997)	Section 1997	\$	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other op	tions that were con	sidered		describe any incremental changes in operations	\$		<b>\$</b>	\$	0
	10 mar 10 ma									
Program Cash Flows				5 5 5 5 E-16	Associated Ers	list al				
2012-2016	Capital Cost	O&M Cost	Other Costs	Approved	Current ER	200	4148			
Previous	70-04-9-04-D-1 #110004-19-04-04-04-04-04-04-04-04-04-04-04-04-04-		Ś -	\$ 6,520,910		100000	n de la composition de la composition La composition de la	National Control of Assets		
2012			\$ -	\$ 6,877,000		1000000			a littera arenna alla la teles. El littera la la constitue di	
2013			\$ -	\$ 7,500,000		100,000			: <u>                                    </u>	
2014	\$ 6,500,000	\$ -	\$ -	\$ 2,300,000						
2015			\$ -	\$ 2,200,000						
2016			\$ -	\$ 2,200,000						
2017			\$ -	\$ 2,200,000	-					
2018 2019		\$ - \$ -	\$ -	\$ 2,200,000 \$ 2,200,000						
Future	E. C.		\$ -	\$ 2,200,000					•	
Total			\$ -	\$ 34,197,910	3					
					<b>.</b>					
Mandate Excerpt (If application Within the program there met. These mandates are	are a number of			sions and monitoring	that must be co	mplie	d with. In add	dition there nume	rous NERC require	ements that must be
							NATIONAL PROPERTY OF THE PROPE			
Additional Justifications:								and the wife of		
As these plants degrade, we shareholders in a particular		to an increasing for	ced Outage rates	and must acquire repra	cement energy ar	ій сар	acity from the	market.   inis can i	eave use with signific	ant exposure for
Resources Requirements: (	request forms and	approvals attached,								
Internal Labor Availability: Contract Labor:	Low Probability YES	☐ Medium Probability	☑ High Probablity	Enterprise Tech: Facilities; Capital Tools; Fleet;	YES - attach form YES - attach form		✓ NO or Not Requ ✓ NO or Not Requ ✓ NO or Not Requ	ilred		



Key Performance Indicator(s)







cision		Review Cycles
		<b>2012-2016</b>
	Date	Template

**Functional Group:** Generation / Production

**Business Case Name:** Peaking Generation

ER No: ER Name:

4150 Peaking Generation

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$1,2001

#### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	500	-	-	-	-	-	-	500	-	-	-	-	-
2016	500	-	-	-	-	-	-	500	-	-	-	-	-

#### **Business Case Description:**

This program is to cover the capital maintenance expenditures required to keep the gas fired peaking units (Boulder Park, Rathdrum and Northeast Combustion Turbine) operating at or above their current performance. The program will focus on maximizing ability of these units to start and run when demanded (starting reliability).

#### Offsets:

There are no anticipated offsets with this business case.

<sup>1</sup>The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Investment Name:	Peaking Generation	tion		2556					
Requested Amount	40	Voc Drogram	non-nos		40 E20/				
Duration/ imerrame		io rear Program		Financial:	12.53%				e e e e e e e e e e e e e e e e e e e
Dept, Area:	GPSS			Strategic:	Generating plant performance	it performance			
Owner:	Andy Vickers			Business Risk:	<b>Business Risk F</b>	Business Risk Reduction >5 and <= 10	= 10		
Sponsor:	Jason Thackston			Program Risk:	High certainty a	High certainty around cost, schedule and resources	ule and resources		
Category:	Program			N. S.					
Mandate/Reg. Reference:	n/a			Assessment Score:	#NAME?	Annual Cost	Annual Cost Summary - Increase/(Decrease)	e/(Decrease)	
Recommend Program Description:	cription:				Performance	Capital Cost	O&M Cost	Other Costs	<b>Business Risk Score</b>
This program is to cover the capital maintenance expenditures required to keep the gas fired peaking units operating at or above their current performance. The program will focus on maximizing ability of	e capital maintenanc : their current perfor	ce expenditures re mance. The progr	quired to keep th ram will focus on	e gas fired peaking maximizing ability of	By expending these funds,	\$ 500,000	- \$	\$	9
these units to start and run when demanded (starting reliability). These plants include BP, RCT, NECT.	ı when demanded (st	tarting reliability).	These plants inc	lude BP, RCT, NECT.	the start				
					these assets				
					will be				
					ımproved.	Pag Jenery	America Cock Street Service   Cocket Ser	(Dorrosco)	
the state of the s					Donforman	Allindai Cost	Summary - mereas	Cy (Det) case)	Original Distriction
Auternatives.					- renomance			omer costs	business hisk score
Untunded Program:	ine overali reliability of all of these assets will declir non-compliant emissions, and inoperable resources	ry or all or these a issions, and inoper	ssets will decline, able resources	ne, resulting in non-starts, s	n/a	^	^	^	
Alternative 1: Brief name	Describe other options that were considered	ions that were con	sidered		describe any	- S	\$		9
of alternative (if					incremental				
applicable)					changes in				
Alternative 7. Ruefname Describe other outland that were considered	Describe other outi	ions that ware on	sidarad		describe any	-	· ·		U
of alternative (if applicable)					incremental changes in				
					operations				
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	ions that were con	nsidered		describe any incremental changes in operations		<b>5</b>		
Program Cash Flows					-				
TITATO IN INTERNATIONAL STANDARD MANAGEMENT CONTRACTOR	Capital Cost	O&M Cost	Other Costs	Approved		Associated Ers (list all applicable):	all applicable):		
Previous	\$	- \$	- \$						
2014	\$	- \$	- \$						
2015	\$	- \$	٠.						
2016	\$		-						
2017	\$		· ·					Programme Comments	
2018	\$	- \$	- \$	\$ 500,000					
2019	000'005 \$ 1	- \$	- \$	000'005 \$					397203

Mandate Excerpt (if applicable):   Mandate Excerpt (if applicable):	2018   Total   Total	S00,000   \$ 500,000   \$ 2,500,000	2018   2019   Total
\$ 500,000 \$ 500,000 \$ 2,500,000     \$	500,000   \$ 2,500,000   \$ 2,500,000	500,000   \$ 2,500,000   \$ 2,500,000	S00,000   \$ 500,000   \$ 2,500,000
5         -         5         -         5         -	- \$ - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5 - 5	-	-
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\$         -         \$         -	-	-	-
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\$ 500,000   \$ 2,500,000   Enterprise Tech:	Soo,000   \$ Soo,000   \$ 2,500,000   \$	Soo,000   \$ 500,000   \$ 2,500,000   \$	S00,000 \$ 500,000 \$ 2,500,000 ise Tech:
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Review Cycles 2012-2016

Director/Manager (if necessary) This graph is to provide a place to direct the KPI benefit. Providing a graph is recommended to help communicate what the project is intended to 0.4 0.2

Capital Program Business Case

This space is to be used for photographs, charts, or other data that may be useful in evaulating the Program

To be completed by Capital Planning Group
Rationale for decision

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	Date			

Functional Group: Generation / Production

Business Case Name: Colstrip Thermal Capital

ER No: ER Name:

7130 Colstrip Unit 4 Outage due to Generator Failure

4116 Colstrip Capital Additions

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$20,3541

#### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	1,459	-	-	-	-	-	-	-	-	-	481	133	845
2015	2,497	40	40	60	70	80	120	120	110	110	90	80	1,580
2016	10,480	352	352	529	617	2,373	1,057	1,057	969	969	793	705	705

#### **Business Case Description:**

This program is for ongoing capital expenditures associated with normal outage activities on Units 3 & 4 at Colstrip. Every 2 out of 3 years we have outages at Colstrip with higher capital program activities. For non-outage years, the program activities are reduced. Avista votes its 15% share of Unit's 3 & 4 and its approximate 10% share of common facilities to approve or disapprove of the budget proposed by PPLM on behalf of all the owners. Individual projects are reviewed for appropriate rates of return and necessity.

#### Offsets:

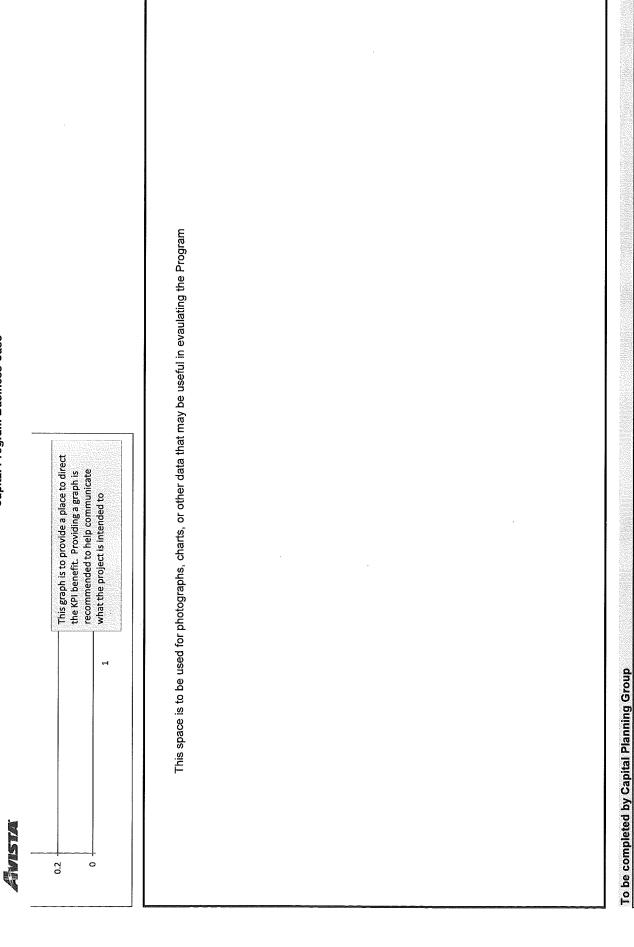
<sup>&</sup>lt;sup>1</sup>The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Total \$	1 \$ 26,365,371	\$	- \$	\$ 47,81	47,814,283				
ER	2014	2015	2016	2017	2	2018	Total	Mandate Excerpt (if applicable):	
4116	\$ 7,414,223	\$ 3,176,850	\$	\$	7,486,699 \$ 2,	2,232,750 \$	5 26,365,371	We have limited input. This provides somewhat of a	
	\$	- \$	· \$	\$	\$ -	\$ -		mandate. Also, this program is a "rollup" of many	
	\$	- \$	\$	\$	\$ -	\$		categories of capital work. Many are, in fact mandated	30,000
	- \$	- \$	- \$	\$	\$ -	\$ -		by EPA and other regulatory bodies.	
7130	\$	- \$	- \$	\$	-  \$	\$	-		
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	- \$	\$	- \$	\$	\$ -	\$ -		Additional Justifications:	6-47
	- \$	- \$	- \$	\$	\$ -	ş	-	These projects are revied individually by PPL and the	
	- \$	- \$	\$	\$	\$ -	\$ -	1	remaining members of the committee. Joint approval is	
	\$	\$	\$	\$	\$ -	-		given only where need and/or shareholder/ratepayer	
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Total	\$ 7,414,223	\$ 3,176,850	0   \$ 6,054,849	\$	7,486,699 \$ 2,	2,232,750   \$	\$ 26,365,371		
Internal Labor Availability:	✓ Low Probability	Medium Probability	High Probablity			YES - attach form	✓ NO or Not Required		
Contract Labor:	(A)	ח ואס		racilities. Capital Tools: Fleet:		TYES - attach form  YES - attach form  TYES - attach form	V   NO or Not Required   V   NO or	resource owners have been contacted and to provide ageneral sense of how likely staff will be provided (this does not require a firm commitment).	
Key Performance Indicator(s) Expected Performance Improvements	r(s) ments								
KPI Measure:	Fill in the name of the KPI here	the KPI here							
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Review Cycles 2012-2016 Printed: 11-05-2014 C:\Users\rf9457\Desktop\Business Cases\Colstrip Thermal Business Case

Capital Program Business Case



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**Functional Group:** Generation / Production **Business Case Name:** Hydro – Noxon Spare Coils

ER No: ER Name:

4166 Noxon Rapids HED Spare Coils

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$1,3501

#### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	1,350	-	-	-	-	-	1,350	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-	-

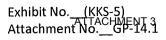
### **Business Case Description:**

This project is to replace the spare coils that were used last spring to repair the stator winding that failed for Unit 4. This item will procure 100 spare coils. These spares cover Units 1 through 4 (Unit 5 is different). Because we had spares on hand, we were able to return Unit 4 to normal service within 11 weeks. Without these spares, the unit would have been out for 9 months or more. Prices for coils supplied under emergency conditions would likely carry a 30% premium. This project does not include any installation, only replacing stock that we had previously.

#### Offsets:

<sup>&</sup>lt;sup>1</sup>The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

#### Capital Project Business Case



Investment Name: Requested Amount Duration/Timeframe	Noxon Spare Co Estimated Total		ture	Assessments:	8.54%					
Dept, Area:	GPSS	,		Strategic:	Reliability &	Capac	ity			
Owner:	Andy Vickers			Business Risk:			luction >0 and	<= <b>5</b>	WW.	
Sponsor:	Jason Thackston			Project Risk:	High certain	ty arou	nd cost, sched	lule and resource	99	
Category:	Project									
Mandate/Reg. Reference:	n/a			Assessment Scor	e: [	88	Annual Cost	Summary - Incre	ise/(Decrease)	
Recommend Project Descr					Performanc	e (	Capital Cost	O&M Cost	Other Costs	<b>Business Risk Score</b>
This project is to replace th					iled   describe any	, \$	1,350,000	\$ .	\$ -	3
for Unit 4. This item will pr					Incremental	1				
different). Because we had										
weeks. Without these spar					this Project			7		
supplied under emergency any installation, only replace			mium. Inis pro	ject does not inclu		it				
and marmonant, mind relied	nië story mar we na	o previously.			present					
					operations		Annual Cort	l : Summary - Increa	pro//Dosenarol	
Alternatives:					Performanc	a   I	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	Should we not have significantly longer f				n/a	\$	2,100,000	-	\$ 165,484	4
	(30% premium).									
Alternative 1: Brief nome	Describe other opti	ons that were con	ildered		describe any	1		\$ .	\$ -	3
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applicable)					changes in					
Alexandria 2. U. def	D		1-1		operations	*****				
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applicable)					incremental changes in	'				
apprincial c					operations					
Alternative 3 Name : Brief	Describe other out	ons that were con	idered		describe any		*	\$ -	\$ .	0
name of alternative (if					Incremental					1 "
applicable)					changes in			<b>.</b>		
					operations					
Program Cash Flows Previous	Capital Cost	O&M Cost	Other Costs	Approved \$		Asso	ociated Ers (list	all applicable):		Visit of the second sec
2013	\$ -	\$ -	\$ -	5	-		- :			
2014		\$ -	5 -	\$ 1,350	,000					
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ER	2013	2014	2015	2016	2017+		Total	Mandate Excerpi	t (If applicable):	
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Total	\$ .	\$ 1,350,000	3	Š	- S - - S -	\$ \$	1,350,000			
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January-00	open		January-00	open			January-00 January-00	open		gement on project
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January-00 January-00	open open		January-00 January-00	open open			January-00 January-00	open open		
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Contract Labor:	☑ YES	□no		Facilities:	YES - attach form	M 100 0	or Not Required	Fleet: [	] YES - attach form   ② N	D or Not Required

### Capital Project Business Case

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_GP-14.2



Key Performance Indicator(s)	·
Expected Performance Improvements	
KPI Measure: Fill in the name of the KPI here	
Fill in the name of the KPI here	
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e completed by Capital Planning Group ationale for decision		Review Cycles 2012-2016
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**Functional Group:** Generation / Production

Business Case Name: Post Falls South Channel Gate Replacement

ER No: ER Name:

4162 PF S Channel Gate Replacement

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$8,014<sup>1</sup>

#### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	11,008	-	-	-	-	11,008	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-	-

### **Business Case Description:**

Avista had planned to maintain the south channel gates to comply with FERC Dam Safety directives. When a pre-construction underwater investigation was done, it was discovered that the condition of the concrete structure was very poor and would not handle the planned work. This project includes an engineering investigation into options and project estimates. It is anticipated that much of the existing concrete structure will be removed and replaced with a new concrete structure, new gates and hoist systems to automate the operation.

#### Offsets:

The attached business case shows O&M Offsets of \$5,000 in 2015. After further discussion, it was determined that these savings are related to employee labor that will be redistributed to other projects and do not result in a reduction to overall labor expense.

<sup>&</sup>lt;sup>1</sup>The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

ATTACHMENT 3 Exhibit No.\_\_(KKS-5)
Attachment No.\_\_GP-15.1



Investment Name:	Post Fall South	Channel Replace	ment	7								
		l Capital Expendit		Assessments:								
Duration/Timeframe	A STATE OF THE PARTY OF THE PAR	3 Year Project		Financial:	0.00%							
Dept, Area:	GPSS			Strategic:		ant Modernization	1,76					
Owner:	Andy Vickers			Business Risk: Project Risk:	Bussiness Risk Reduction >0 and <= 5 High certainty around cost, schedule and resources							
Sponsor:	Jason Thacksto Mandatory			Project Risk:	riigir certainty	around cost, scree	Idio And resources					
		napter I, Subchapte	r B Part 12	Assessment Score:	55	Annual Cos	t Summary - Increas	e/(Decrease)	and the second description of the second			
Recommend Project Descri					Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score			
Avista had planned to main		nnel gates to comply	with FERC Dam	Safety directives.	Gate	\$ 11,008,000	\$ (5,000)		5			
When a pre-construction ur concrete structure was very to evaluate options. This it it is anticipated that much o concrete structure, new gal	nderwater investig y poor and would I em includes an en of the existing con	ation was done, it wo not handle the planning gineering investigation crete structure will b	as discovered the ed work. This ha on into options a e removed and r	at the condition of the s resulted in an effort nd project estimates.	operations would be automated.							
concrete structure, new gar						Section of Common Victor		(6)				
					Performance	Capital Cost	t Summary - Increas  O&M Cost	Other Costs	Business Risk Score			
Alternatives: Unfunded Project:	the existing gates	under a FERC Dam S and structure. We h he process of reques	nave deferred th		n/a	\$	\$ -	\$	20			
Alternative 1: Brief name of alternative (if applicable)	Manager Committee Committe	ase is being submitte	d, no alternative	s are known.	describe any incremental changes in operations	\$ 12 May 1 M	\$ \$ - \$ - 5 - 5					
Alternative 2: Brief name of alternative (if applicable)	Describe other op	otions that were cons	sidered		describe any incremental changes in operations		\$ -	Š	0			
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other or	otions that were cons	sidered		describe any incremental changes in operations			\$	0			
Program Cash Flows												
***************************************	Capital Cost	O&M Cost	Other Costs	Approved		Associated Ers (list	all applicable):					
Previous			\$ -	\$ 63,830		new						
2013			\$ -	\$ 1,119,000								
2014			\$ - \$ -	\$ 6,444,000 \$ 1,570,000				With the second				
2015 2016	\$ -	\$	\$ -	\$ 1,370,000	4	NS-13-15-15-15-15-15-15-15-15-15-15-15-15-15-		TEACHER STATE OF THE DATE				
2017 2017 Total	\$	\$ -	\$   \$ -	\$ -								
ER	2013	2014	2015	2016	2017	Total	Mandate Excerpt					
new	\$ 960,00	\$ 1,950,000	\$ -	\$	\$ -	\$ 2,910,000		12; 2007 FERC Ins				
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Total	\$ 960,00	0 \$ 1,950,000	\$ .	\$ -	\$ -	\$ 2,910,000						
Milestones (high level of September-12 March-13 July-13 September-13 January-14 May-14	targets) Project Kick-Off Design Basis C Gate Supply Bid Gate Supply Av Issue Construct Installation Con	omplete is Out vared ion RFP	December-14 March-12 January-13 January-13 January-13 January-13	Project Closed Out open open open	lete	January-13 January-13 January-13 January-13 January-13 January-13	open open open open open open open	Use your jud progress so t	nould be general. gement on project hat progress can . Provide at least nes per year			
January-14	Issue Construct Installation Con request forms and	ion RFP tract Awarded	January-13 January-13	open open  Enterprise Tech:		January-13	open open Capital Tools:	be measured three milesto	. Provide at least			

#### Capital Program Business Case

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No. GP-15.2



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<b>Key Perform</b>	ance Indicator(s)		
	rmance improvements		
KPI Measure			
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	1	(1111000000.)	,,
	Because of the timing of the discovery of the concrete condition,	the initial budget esti	mate was made very quickly within a two week time period
	which did not allow for much investiggation of what would be need	ded for the project. A	As a result, the original requiest has been increased as we
	have learned about the needed work to address this issue.		
	Additional Information: The original plan had contemplated a sing	ale spilloate in place o	of the current six gates, expecting to reduce construction costs.
	However, upon further scoping work, it was determined that going		
	were installed in the 1990's for dam stability. This forced a chang		
	wore installed in the 10000 for daily stability. This forced a charge	je in scope to moidae	six gates, increasing the coot.
1	Also, the project will now require a cofferdam to facilitate the nece	occani canatrustian	That along with the accord improvements peeded to perform
`			That along with the access improvements needed to perform
	the site construction have also increased the cost over the original	ai estimate.	
	·		
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	e for decision		Review Cycles
			2012-2016
			2017-Z010
		Date	Template
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		AND THE PROPERTY OF THE PROPER	

**Functional Group:** Generation / Production

Business Case Name: Cabinet Gorge Unit 1 Refurbishment

ER No: ER Name:

4161 CG HED U#1 Refurbishment

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$10,4001

#### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	11,400	-	-	-	-	11,400	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-	-

#### **Business Case Description:**

This is the Capital portion of a major overhaul project planned for Cabinet Gorge Unit 1. The runner hub has significant issues, and will need to be upgraded to allow for frequent cycling with integration of intermittent resources. The present automatic voltage regulator has relatively slow response due to its hybrid design. It also has no limiters for generator protection. A new system will improve both of these. The machine monitoring will allow for better analysis of the machine condition for this critical unit. New protective relays will be installed and new controls will be integrated with the project to replace the failing Bailey NET90 system. Rehab of this unit will also allow flexibility around minimum flow for fish habitat.

#### Offsets:

There are no anticipated offsets with this business case.

<sup>1</sup>The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

#### Capital Program Business Case

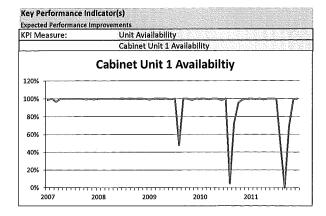
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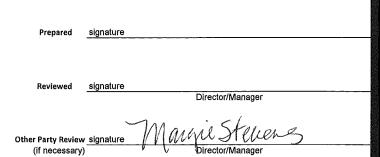
Exhibit No.\_\_(KKS-5) Attachment No.\_\_GP-16.1

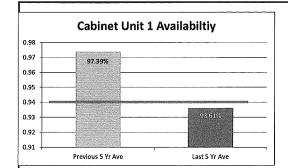
Investment Name: Requested Amount	Cabinet Gorge L Estimated Total	Jnit 1 Refurbish Capital Expend		Assessments:				12 × 42 × 42 × 11				
Duration/Timeframe		Year Project		Financial:	9.24%							
Dept, Area:	GPSS			Strategic:	Generating P	Generating Plant Modernization						
Owner:	Andy Vickers			Business Risk:			Reduction >5 and <= 10					
Sponsor:	Jason Thackston			Project Risk:	High certaint	y around cost, sche	chedule and resources					
Category:	Project				- HALANICO				T .			
Mandate/Reg. Reference: Recommend Project Descr	n/a			Assessment Score		and the second property of the second	t Summary - Increa	1				
This is the Capital portion of		nralast plannad fo	r Cabinat Garga II	nit 1. The supper h	Performance ub Better voltage		O&M Cost	Other Costs	Business Risk Score			
has significant issues, and vintermittent resources. The no limiters for generator pis to allow for better analysinstalled and new controls Rehab of this unit will also	will need to be upgra te present AVR is relates rotection. A new sy sis of machine condi will be integrated w	aded to allow for fi atively slow respor stem will improve liton for this critica rith the project to r	equent cycling wing wing the second of these. The individual is a light of the second	th integration of ild design. It also hi e machine monitor ive relays are to be	control and response for blackstart (NERC),	The sales are as a second of the sales are a	t Summary - Increa					
Alternatives:					Performance		O&M Cost	Other Costs	Business Risk Score			
Unfunded Project:	<ul> <li>Schools (1995) (1995) (1995) (1995) (1995)</li> </ul>	nue to deteriorate, he plant at 3,000cf		the Many Salament Control Special Control Control	n/a	\$	\$ 1,550,027	\$	12			
Alternative 1: Install IRIS Monitoring System Only	assess the condition	nstall a Partial Disc on of the generator I of rewedge & rein	winding to assist	in rewind timing. 1	none The	\$ 949,000	\$ 868,026	\$	4			
Alternative 2: Brief name of alternative (if applicable)	Describe other opt	ilons that were cor	sidered	1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	describe any incremental changes in operations	\$		\$ -	0			
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other opt	ions that were con	sidered		describe any incremental changes in operations	\$	\$	\$	0			
Program Cash Flows												
r rogialii casii riuws	Capital Cost	O&M Cost	Other Costs	Approved		Associated Ers (list	all applicable):	100 mm				
Previous			\$ -	\$		none		Newscassing States				
2013		\$ -	\$	\$ 1,300,	000							
2014			\$ -	\$ 5,500,0			The second secon					
2015		\$ -	\$ -	\$ 4,900,0	000							
2016 2017		\$ -	\$ - \$ -	\$								
Total			\$ 10.00	\$ 11,700,	2377.5345							
ER	2013	2014	2015	2016	2017	Total	Mandate Excerpt	(if applicable):				
none	\$ 5,172,658	\$ 3,394,638		Carried Comment of Association Comments of the	- \$ -	\$ 8,567,296		not applicable				
0	\$ -	\$ -	\$ - \$ -		- \$	\$ -						
0	\$ -	\$ - \$ -	\$ - \$ -		- \$ - - \$ -	\$ - \$ -						
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Ō	\$	\$ -	\$ -	\$	- \$ -	\$ -	Additional Justific	ations:				
0	\$	\$ .	\$ -	Y	- \$ -	\$ -			t utilized the rotating			
0	\$	\$	\$	The state of the s	- \$ -	\$ -		. When we perform				
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0	\$ -	\$ -	\$ -		- \$ - - \$ -	\$ - \$ -	Street Street Street Street Street Street Street Street	ion lines and other	The state of the s			
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0	\$ -	\$ -	\$ -		- \$ -	\$ -	and the contraction of the first of the contract of the con-	ia other equipment ite this machine to i	经收入债务 医多种性 化二氯甲基甲基甲基甲基甲基甲基甲基甲基甲基甲基甲基甲基甲基甲基甲基甲基甲基甲基甲基			
Total	\$ 5,172,658	\$ 3,394,638	\$ -	\$	- \$ -	\$ 8,567,296	ar of the apar	and machine to	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			
Milestones (high level of October-12 November-12 December-12 March-13 July-13 September-13 Resources Requirements; (	Project Start Basis of Design AVR Ordered Monitoring Equip Final Design Equipment Delive	ered to Site	October-13 November-14 January-14 March-14 Septebmer -14	Installation Comp Machine in Servi	d to site on pletion	January-14 November-14 January-15 April-15 April-15 January-13	open open open open open open	should be general. Igement on project that progress can d. Provide at least ones per year				
Internal Labor Availability: Contract Labor:		☐ Medium Probability ☑ NO	High Probablity			☑ NO or Not Required ☑ NO or Not Required			NO or Not Required NO or Not Required			

AVISTA

Exhibit No.\_\_(KKS-5)
Attachment No.\_\_GP-16.2







Some other explanation of the chart included above is that you can see that we are experiencing increasing outages over time to address the problems with the unit. These outages are generally increasing over time.

The monitoring system is intended to help us capture when a major outage is likely to occur and then plan accordingly. An asset management study has shown the benefits of a monitoring system that we can use to predict when we should plan for major events rather than perform the work after failure.

The chart at the left shows the decreasing availability that has been experienced over the past ten years due to mechanical problems with the unit. Doing this capital project at the same time as the major maintenance wil improve future availability as this will not be needed again.

To be completed by Capital Planning Group  Rationale for decision		
Rationale for decision		Review Cycles
		2012-2016
	Date	Template

Functional Group: General

**Business Case Name:** Capital Tools & Stores Equipment

**ER No: ER Name:** 7005 Stores Equip

7006 Tools Lab & Shop Equipment7002 Office Mach & Equipment

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$6,5701

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	589	-	-	-	-	-	-	-	-	-	221	88	280
2015	2,348	337	337	337	54	54	54	54	54	54	337	337	337
2016	2,400	344	344	344	56	56	56	56	56	56	344	344	344

#### **Business Case Description:**

This business case is for the purchase and repair of tool and facility material handling equipment. This includes equipment such as forklifts, manlifts, shelving, cutting/binding machines, etc. These funds are used for capital Stores equipment company-wide. The ER's included in this business case are blanket projects that occur year over year.

#### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Capital Tools an	d Storae		٦							<del></del>
Requested Amount	\$	id Sibles	1,821,500	Assessments:				- graba			
Duration/Timeframe	Ongoing	Year Program	<u> </u>	Financial:	MH - >= 9% &	<12	% CIRR				Banning Control of Con
Dept, Area:	Supply Chain			Strategic:	Life Cycle Pro						
Owner:	Cody Krogh			Operational:	Operations rec			erfo	rm at current l	evels	
Sponsor:	Don Kopcynski			Business Risk:	ERM Reduction						
Category:	Program			Program Risk:	High certainty	Property Control		To Care Charles and Co.	Care of the Control o	ACCUPATION OF THE PROPERTY OF	T .
Mandate/Reg. Reference:				Assessment Score:	84	200 m 200 m	ENGINEERING CONTRACTOR AND ADDRESS OF THE PARTY OF THE PA	esun I	mary - Increas		
Recommend Program Desc					Performance	A	Capital Cost		O&M Cost	Other Costs	Business Risk Score
Purchase and repair of tool	and facility material	I handling equipme	int		Enhances crew efficiency	\$	1,500,000		mary - Increas	(5)	0
Alternatives:					Performance		Capital Cost	Sun	O&M Cost	Other Costs	Business Risk Score
Status Quo:	Describe the currer	nt condition of the	asset(s) and prob	lems that need to be	n/a	\$		\$	VT THE (2.09)	\$ -	0
	corrected				The state of the s						
Alternative 1: Repair all tools	performed (not all crew efficiency, inc	tools can be repair reased labor to fin	ed), delayed resp d/rent tools and e	have outside repairs onse by crews, reduced equipment, safety form craft work (meter	n/a	\$		\$	1,141,606	\$	0
	(meter testing, met utility locating equi			splicing, leak detection, equipment, etc.)							
Alternative 1: Rent Forklifts	Increased rental ex CAP loading, 5% to	*1,	Other" budget sh	ifting 95% of costs to		\$	665,000	\$	35,000	\$	0
Program Cash Flows					Associated Ers	(liet a	ill anniicahlei:	(1933 S.)			
5 years of costs					2013				2014		
•	Capital Cost	O&M Cost	Other Costs	Approved	7006	188	1500000	100	7006	\$ 1,307,007	
						(10)		50	7005	51449	3
2013	\$ 1,500,000	\$ -	\$	\$ 775,000		811		33.5			
2014	\$ 1,575,000	\$ -	\$ -	\$ 1,821,500							
2015		\$	\$ -	\$ 2,348,325							
2016	Banks	\$ -	\$ -	\$ 2,400,000							
2017		\$ -	\$ -	\$ 2,400,000							
2018		\$ -	\$ -	\$ 2,400,000							
2019 Total	and the state of t	\$ -	\$ -	\$ 2,400,000 \$ 14,544,825							
Mandate Excerpt (If application) N/A	able):	The second secon									
Additional Justifications: Increased budget 2014-201	7 amount by 5% to a	account for Inflatio	n		200 E 100 E 10						
Resources Requirements: (	request forms and a	pprovals attached									
810121010101010101010						oodaanii oodaa		CARLO MINIO	Check the an	opropriate box. The	Internal and contract
Internal Labor Availability: Contract Labor:	Low Probability YES	☐ Medium Probability ☑ NO	☑ High Probability	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form		✓ NO or Not Requ ✓ NO or Not Requ ✓ NO or Not Requ ✓ NO or Not Requ	aired aired	labor boxes resource ow a general ser	should be checked to	o indicate if the acted and to provide If will be provided



#### Capital Program Business Case

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_G-1.2

Key Performance Indic						
Expected Performance Impr KPI Measure:	Tool Repair as a percentage of tool purchases					
	Fill in the name of the KPI here	 Prepared	signature			
		Reviewed	signature		Director/Manager	
					Director/iviariages	
			· .	MARINIA	Stowns	•
		Other Party Review	v signature v)	Manny.	Director/Manager	
				•		
	This space is to be used for photographs, charts, o	or other data that ma	ay be useful in ev	vaulating the Progra	am	
	·····		.,		•••	
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	•		•			
				MOHAWA 174, 1740		A MANAGEMENT AND A MANA
To be completed by Rationale for decisi	Capital Planning Group				Review Cycles	
					2012-2016	
			Date		Template	

Functional Group: General

Business Case Name: Central Operating Facility (Mission Campus) Long-Term Restructuring Plan

ER No: ER Name:

7126 Long term Campus Re-Structuring Plan

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$12,5001

#### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	2,085	-	-	-	-	-	-	-	-	-	1	85	2,000
2015	8,500	-	-	-	-	-	-	-	-	-	-	-	8,500
2016	4,000	-	-	-	-	-	-	-	-	-	-	-	4,000

#### **Business Case Description:**

Construct a new warehouse in 2012 and remodel the old warehouse in the Service Bldg to accommodate 110 work stations in 2013. The project also adds 125 employee parking spaces. The new warehouse shall utilize current material handling technologies to increase employee efficiencies, and its height will allow more material to be stored per square foot, thus allowing the Company to use limited square space more efficiently. The facility will provide IS/IT infrastructure and networking in north half of the Mission campus where it is currently non-existent, in anticipation of future projects. This project will also allow the HVAC renovation of the north-building wing to be accomplished in one year rather than a staged process, which results in a one-time \$1.2M reduction in capital costs for that project.

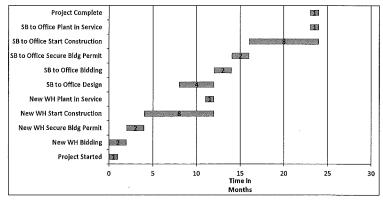
#### Offsets:

No O&M Offsets are listed on the attached Business Case, however O&M savings occur in 2014, 2015 and 2016. These O&M savings are the result of eliminating the need of leased facilities used for personnel that will be relocated to the Mission Campus. In addition, savings are gained due to line trucks and employees not having to travel and off-load waste maters that are recyclable or hazardous. Savings are anticipated to be \$6,000 for three months in 2014, \$77,000 in 2015 and \$21,000 in 2016. The allocation to Washington is 78.64% for Electric and 21.36% for Gas. For 2014, Washington's allocation of these savings is \$4,700 Electric / \$1,300 Gas, \$60,500 Electric / \$16,400 Gas in 2015, and \$16,500 Electric / \$4,500 Gas in 2016. In addition, the attached business case shows "other costs" as (\$1,200,000). These savings are related to capital and are not inclusive of O&M savings.



Investment Name:	COF Long-Term Restructuring Plan								
Requested Amount	\$23,450,000 As	ssessments:					Sile of Sile		
Duration/Timeframe	5 Year Project Fit	nancial:	High - Exceeds	12% C	IRR				
Dept, Area:	Facilities	trategic:	Other						
Owner:	Mike Broemling & Eric Bowles O	perational:	Operations imp	proved b	eyond cun	ent levels			
Sponsor:	Don Kopczynski Bu	usiness Risk:	ERM Reduction	n >0 an	d <= 5				
Category:	Project Pr	roject/Program Risk:	High certainty a	around o	cost, sched	ule and resou	ırces		
Mandate/Reg. Reference:	n/a As	ssessment Score:	100.5		Cost Sur	nmary - Increa	se/(Decr	ease)	
Recommend Project Descr	iption:		Performance	Cap	ital Cost	O&M Cos	t	Other Costs	ERM Risk Score
handling technologies to in stored per SF, thus using or networking in north half of This project will also allow year rather than a staged p	Also add 125 parking spaces. New warehouse shall utilize or crease employee efficiencies, and its height will allow for mur limited SF here at the COF more efficiently. Provide IS/IT the COF where it is currently non-existent, in anticipation of the HVAC rennovation of the north building wing to be accordess, which results in a one-time \$1.2M reduction in capit TIONAL EFFICIENCIES UNDER "ADDITIONAL JUSTIFICATIONS"	ore material to be infrastructure and if future projects, implished in one tal costs for that	current space issues by creating on-site office space and parking to house employees and						
The first form of the service of the service of the form and the leading of the first of the service of the ser	ne HVAC savings and any other facility sales or cessation of r		contractors						
is 12.5%-16.0% excluding t			contractors			nmary - Increa			
is 12.5%-16.0% excluding to	ne HVAC savings and any other facility sales or cessation of r	rentals.	contractors  Performance	Cap	Cost Sun Ital Cost	O&M Cos		ease) Other Costs	ERM Risk Score
is 12.5%-16.0% excluding t		rentals. king to	contractors  Performance n/a	Cap \$					ERM Risk Score
is 12.5%-16.0% excluding to	ne HVAC savings and any other facility sales or cessation of r COF will continue to not have enough office space and par accommodate demand. Continue to obtain more leases, b	rentals. king to	contractors  Performance n/a	<b>Cap</b> \$		O&M Cos			**************************************
is 12.5%-16.0% excluding to Alternatives: Status Quo: Alternative 1: Construct a new warehouse	COF will continue to not have enough office space and par accommodate demand. Continue to obtain more leases, bland and construct buildings to house our employees.	rentals.  king to  buy buildings, or buy  building on the	Performance n/a  Alleviates current space issues & new	\$	ital Cost	O&M Cos \$	- \$	Other Costs	6

#### Timeline



#### Construction Cash Flows (CWIP)

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2012	\$ 3,050,000	\$ -	\$ -	\$ 3,050,000
2013	\$ 7,900,000	\$ +	\$	\$ 7,900,000
2014	\$ 1,000,000	\$ -	\$	\$ 1,000,000
2015	\$ 7,500,000	\$ -	\$	\$ 7,500,000
2016	\$ 4,000,000	\$ -	\$ -	\$ 4,000,000
2017	\$ -	\$ -	\$ -	\$ -
2018	\$	\$ -	\$ -	\$
Future	\$	\$ -	\$ -	\$
Total	\$ 23,450,000	s -	\$ -	\$ 23,450,000

#### Milestones (high level targets)

	-1.44.B-1-1				
August-12	New WH Start Construction	February-15	Rotor Bldg and Inv Rec Start	February-16	WH Yard #2 & Wash Bay Start Const
April-13	New WH Plant In Service	June-15	Rotor Bldg In Service	October-16	WH Yard #2 & Wash Bay In Service
May-13	SB to Office Start Construction	June-15	WH Yard #1 Start Const		
October-13	SB to Office Plant in Service	August-15	WH Yard #1 and Inv Rec in service		
October-14	Waste & Asset Rec Bldg Start Con	July-15	GPSS & Spo Const. Remodel: Start	Const	
May-15	Waste & Asset Rec Bldg in Service	March-16	GPSS & Sno Const. Remodel: In Se	nice	

Associated Ers (list all applicable):	7126			ne vivasdalia an
XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX		System as the		
Mandate Excerpt (if applicable):	n/a			

#### **Additional Justifications**

Sept 2013 changes; \$2.4 M for new IR / Haz Mat area in 2014, \$1.5M for WH Yard and Wash Bay in 2015, \$1.5M in 2015 and \$2M in 2016 for G&P/Spo Construct Remodel. New IR and Hazmat Bldgs will result in time efficiencies for linemen trucks and drop off processes. Increasing the WH storage yard will also result in time efficiencies for WH personnel due to closer material, more level asphalted area (rather than gravel), and controlled (fenced) inventory and stocking. Wash bay will will save time from washing vehicles off site and will prevent frequent freezing/breakdown of current wash bay. Office renovations of Spokane Construction and GPSS will replace a 30 year old HVAC system and increase number of cubicles on campus to accomodate for growth. JULY 2014 CHANGES: (2014 - \$1M) (2015 - \$7.5M) (2016 - \$4M). Hazmat Bldg cost more than expected, and a GPSS storage bldg must be replaced to do the WH storage yard increase.

AVISTA

Exhibit No.\_\_(KKS-5)
Attachment No.\_\_G-2.2

Resources Requirements: (request forms and approvals attached)		111111	
Internal Labor Availability:	y Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	☐ NO or Not Required
Key Performance Indicator(s)  Expected Performance Improvements  KPI Measure: Total Net Increase of Parking Spaces and Employee  Workstations vs. 2011 total	Prepared Reviewed	signature	Director/Manager
60 Workstation Increase 20 2011 2012 2013	Other Party Review (if necessary	v signature	Maryl Study Director/Manager
· · · · · · · · · · · · · · · · · · ·	E BUILDING		SERVICE BUILDING
To be completed by Capital Planning Group  Rationale for decision		Date	Review Cycles 2012-2016 Template

Functional Group: General

**Business Case Name:** Structures and Improvements/Furniture

ER No: ER Name:

7001 Structures & Improvements

7003 Office Furniture

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$11,6331

#### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	575	-	-	-	-	-	-	-	-	-	228	67	279
2015	4,600	390	383	381	382	383	381	391	381	381	383	383	381
2016	3,600	307	299	298	299	300	298	307	297	298	299	300	297

#### **Business Case Description:**

This program is for the Capital Maintenance, Improvements, and Furniture budgets at 50 plus Avista offices and service centers (over 700,000 square feet in total). Many of the included service centers were built in the 1950's and 1960's and are starting to show signs of severe aging. The program includes capital projects in all construction disciplines (Roofing, Asphalt, Electrical, Plumbing, HVAC, Energy efficiency projects etc.). This program is driven mainly from the results of an objective building survey completed at each service center. The survey assigns a rating to each building category based on condition. This will help us create capital project lists for each service center and make decisions on continued maintenance vs. future replacement.

#### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

### Avista

Capital Program Business Case

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_G-4.1

Investment Name:	Structures and I	mprovements a	nd Furniture		·			, tetacimine	
Requested Amount Duration/Timeframe	\$25,773,300 7	Year Program		Assessments: Financial:	MH - >= 9% &	<12% CIRR			
Dept, Area:	Facilities			Strategic:	Life Cycle Pro	and the second s			
Owner:	Mike Broemling 8	Eric Bowles		Operational:		quire execution to p	erform at current	levels	
Sponsor:	Don Kopczynski Program			Business Risk: Program Risk:	ERM Reductio	n >0 and <= 5 around cost, sched	tule and resource		
Category: Mandate/Reg. Reference:	n/a			Assessment Score:	84	The second secon	Summary - Increas		
Recommend Program Desc					Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program would be rest 50 plus Avista Offices and S were built in the 50's and 6 Capital projects in all const efficiency projects etc). This survey completed at each S condition. This will help us continued maintenance vs to the survey completed at each S condition.	consible for the Capi ervice Centers (over 0's and are starting t cuction disciplines (R is program would be ervice Center. The si create capital projec	700,000 sf total). It is show signs of se oofing, Asphalt, Ele of triven mainly frourey assigns a rati	Many of the incluvere aging. The prectrical, Plumbing m the results of a ng to each building	ded Service Centers rogram would include , HVAC, Energy n objective building ng category based on	Improve operating functionality, increased safety, increased energy efficiency.	\$ 25,773,300		\$	
							Summary - Increas		
Alternatives:	100			8 71 11 8	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo:	loss due to inefficie	nt HVAC systems, ntain or replace th nage to other adja	Low E glass, lack o ese system can re cent systems, (ex		n/a		\$	Section of This content of the Conte	A Comment of the Comm
Alternative 1: Brief name of alternative (if applicable)	Reducing Capital re respectively. This w which could also in affected (example r	ould also increase cur additional proc	the risk for unpla luctivity costs for	nned major failures	lower capital would drive up O&M and risk major failure	\$		\$	0
Alternative 2: Brief name of alternative (if applicable)	Describe other opti	ons that were con	idered		describe any incremental changes in operations	\$		\$	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other opti	ons that were cons	sidered		describe any incremental changes in operations	\$	\$	\$ -	0
Program Cash Flows					Associated Ers (	list all applicable):			
5 years of costs			and the second s		Current ER	7001	7003		
	Capital Cost	O&M Cost	Other Costs	Approved	Harris Harris			\$4500 per (\$350)	
2012	\$ 4,820,000	\$ -	\$	\$ 4,420,000					
2012		\$ -	Š -	\$ 3,600,000			Battle odd po Physical College		
2014		\$ -	\$ -	\$ 3,433,300					
2015	\$ 4,000,000	\$ -	\$ -	\$ 4,600,000					
2016		\$ -	\$ -	\$ 3,600,000					
2017		\$ -	\$ -	\$ 3,600,000			•		
2018 2019		\$ - \$ -	\$ - \$ -	\$ 3,600,000					
Z019 Total		•	\$ -	\$ 3,600,000 \$ 30,453,300					
Mandate Excerpt (If applice provide brief citation of the		and a reference	number if poss	ible					
Additional Justifications: With the completion of the are also working on creating budget is included in this pr  Resources Requirements: (	g a long range lifecyc ogram and can supp request forms and a	le plan to identify ort various office r	when continued i emodels, chair ar	naintenance is no long nd furniture replacemer	er prudent and ri	eplacement is a more out remodels, modula	e cost effective solut ar wall systems, and	tion. In addition, the	office furniture
internal Labor Availability: Contract Labor:		Medium Probability     NO	∟ High Probabilty	Enterprise Tech: Facilities; Capital Tools: Fleet:	✓ YES - attach form ✓ YES - attach form  ☐ YES - attach form  ☐ YES - attach form	☑ NO or Not Requ □ NO or Not Requ ☑ NO or Not Requ ☑ NO or Not Requ	ired ired		



Key Performance Ind	llcator(s)	
Expected Performance Im	provements	
KPI Measure:	Fill in the name of the KPI here Fill in the name of the KPI here	<u>합</u> 전
	THE RECORDS OF THE REPORTS	Prepared signature
2500		
2000 - Year		
	e Line	
1500	ject FO Rate	Reviewed signature
1000 —— Poly	y. (Hours)	Director/Manager
500		Marin Chara
0 -	This graph is to provide a place to direct	Other Party Review signature // // // // // Director/Manager
1 2	2 3 4 the KPI benefit, Providing a graph is recommended to help communicate	(if necessary) Director/Manager
-500	what the project is intended to	
51500 V 0000 1000 V 000	¥ *	
Expression Control of the control of		
	Bacadana Marakana kana kana kana kana kana kana ka	- and an anti-anti-anti-anti-anti-anti-anti-anti-
	•	
To be completed be Rationale for deci	by Capital Planning Group	Review Cycles
Traditione to the contract	AMERICAN STATE OF THE STATE OF	

Date

2012-2016

Template

Functional Group: General

**Business Case Name:** Strategic Initiatives – Battery Storage

ER No: ER Name:

7060 Strategic Initiatives

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$3,500<sup>1</sup>

#### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	2,062	172	172	172	172	172	172	172	172	172	172	172	172
2016	406	34	34	34	34	34	34	34	34	34	34	34	34

#### **Business Case Description:**

The Strategic Initiatives business case contains various projects and programs that align with the Company's strategic goals. The ERs associated with this business case may change depending on the current initiative approved. The current program is for ER 7060 Energy Storage Pullman. Avista has a strong interest in the use of battery technology as a means for augmenting its current portfolio of supply assets in addition to local load management (distributed resources/loads on feeders). Validation of the potential benefits singularly and coincidentally is essential to deployment and expansion in future years. The project will purchase eight (8) storage units (shipping containers), and two (2) Power Control System units. The eight storage units will be filled with an electrolyte containing vanadium suspension, which will maintain an electro-chemical charge.

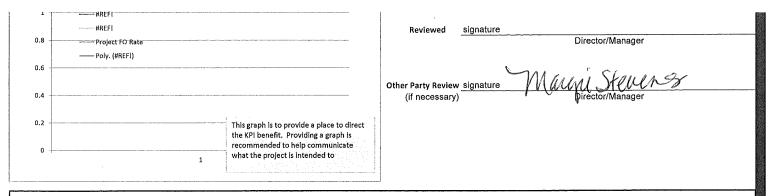
#### Offsets:

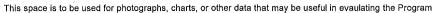
<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Energy Storage	Pullman								
Requested Amount	\$		3,800,000	Assessments:						
Duration/Timeframe	3	2014-2016		Financial:	-2.60%					
Dept, Area:	Engineering			Strategic:	Reliability & Ca					
Owner:	Heather Rosentra	iter		Business Risk:	<b>Business Risk</b>					
Sponsor:	Dennis Vermillion			Program Risk:	Moderate certa	ainty arou	nd cost,	schedule and reso	urces	
Category:	Productivity									
Mandate/Reg. Reference:	n/a			Assessment Score:	22	A	nnual Cos	at Summary - Increas	e/(Decrease)	
Recommend Program Desc	ription:				Performance	Capit	al Cost	O&M Cost	Other Costs	Business Risk Sco
Avista has a strong interest portfolio of supply assets in Valldation of the potential be in future years. The project Control System units. The e suspension, which will main result of the matching funds	addition to local loa penefits singularly ar will purchase eight eight storage units w tain an electro-cher	id management (di nd coincidentally is (8) storage units (s vill be filled with an nical charge. The	stributed resour essential to dep hipping contrair electrolyte cont project, as speci	ces/loads on feeders loyment and expansi ters), and two (2) Pov aining vanadium fied, is only possible a	on energy storage ver framework for future	\$ 3	,900,000	\$ 84,000	\$	0
			15-11-1			At	nnual Cos	at Summary - II		
Alternatives:					Performance	-	al Cost	O&M Cost	Other Costs	Business Risk Sco
Unfunded Program:	Describe the currer corrected	nt condition of the	asset(s) and pro	plems that need to b		\$		\$ -	\$ -	0
Alternative 1: Brief name of alternative (if applicable)	Describe other opti	ons that were cons	ldered		describe any incremental changes in operations	\$		\$ -	\$	0
Alternative 2: Brief name of alternative (If applicable)	Describe other opti	ons that were cons	idered		describe any incremental changes in operations	\$	).E	\$ -	\$	0
name of alternative (if applicable)	Describe other opti	ons that were cons	idered		describe any incremental changes in operations	\$	Ng:	\$ -	\$	0
Program Cash Flows	6 10 16 1	00110-4	01h Ct-				d For His	4 - II P L I - V		
	Capital Cost	O&M Cost	Other Costs	Approved		Associate		t all applicable):		
Previous		\$ -	\$ -	\$ -	-		7060	)		
2013	\$ -	\$ -	\$ -	\$ -	-					
2014	\$ 1,000,000	\$ -	\$ -	\$ 3,500,0	00					
2015	\$ 2,500,000	\$ 45,000	\$ -	\$ -						
2016	\$ 300,000	\$ 90,000	\$ -	\$ .						
2017	\$ -	\$ 90,000	\$ -	\$ -						
Total	\$ 3,800,000	\$ 225,000	\$ -	\$ .						
ER	2013	2014	2015	2016	2017		ital	Mandate Excerpt	(if applicable):	
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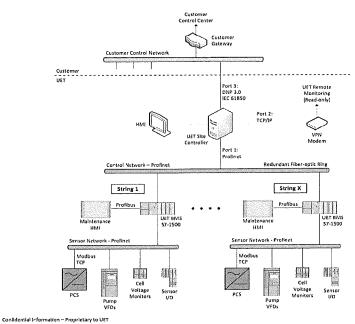








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Date Template		2012-2016
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Functional Group: General

**Business Case Name:** Apprentice & Craft Training

ER No: ER Name:

7200 Apprentice Craft Train

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$180<sup>1</sup>

#### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	5	-	-	-	-	-	-	-	-	-	-	-	5
2015	60	5	5	5	5	5	5	5	5	5	5	5	5
2016	60	5	5	5	5	5	5	5	5	5	5	5	5

#### **Business Case Description:**

This program is for on-going capital improvements to support the essential skills needed for journeyman workers, apprentices and pre-apprentices now and for the future. It is important to provide the types of training scenarios that employees face in the field. Capital expenditures under this program include items such as building new facilities or expanding existing facilities, purchase of equipment needed, or build out of realistic utility field infrastructure used to train employees. Examples include: new or expanded shops, truck canopies, classrooms, backhoes and other equipment, build out of "Safe City" located at the Company's Jack Stewart training facility in Spokane, which could include commercial and residential building replicas, and distribution, transmission, smart grid, metering, gas and substation infrastructure.

#### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Apprentice/Craft	Trng							
Requested Amount	\$60,000			Assessments:					
Duration/Timeframe	And the state of t	Year Program		Financial:	7.00% Performance I	Evaslanaa			
Dept, Area:	Apprentice/Craft Linda Jones	raining		Strategic: Business Risk:		Reduction >0 and	<b>~=</b> 5		
Owner: Sponsor:	Karen Feltes	E. (1982)	10 0 No. 742 (8256.25-88)	Program Risk:		around cost, sched			
Category:	Mandatory		ring Tables	1 - 3	<u></u>				
Mandate/Reg. Reference:	296-05 WAC & Chpt	49 04 RCW		Assessment Score	: #NAME?	Annual Cost	Summary - Increas	e/(Decrease)	
Recommend Program Desc	ription:				Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
"This program is for on-going cap					Paragraph of the sense of the paragraph of the sense of t	\$ 60,000	\$ -	\$ -	2
and pre-apprentices now and for the field. The program is for cap					4-1				
expenditures under this program					ace   Changes that				
of equipment needed, or build o					or this Program would benefit				
expanded shops, truck canopy, c residential building replicas, and					present				
	1000 C				operations				
						Annual Cost	Summary - Increas	e/(Decrease)	
Alternatives:	50 3				Performance	and the same and t	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Without ability to t				Caracteristic Committee of the Committee	\$ -	\$ 20,000	\$ -	6
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applicable)					changes in	Terri Mési			
					operations				
Alternative 2: Brief name	Describe other opti	lons that were cons	sidered		describe any	\$ -	\$ -	\$ -	0
of alternative (if					incremental				
applicable)					changes in				
200					operations	2.0			
Alternative 3 Name : Brief	Describe other opti	ions that were cons	sidered		describe any	\$ -	\$ -	\$ -	0
name of alternative (if					incremental changes in				
applicable)					operations				
Program Cash Flows					1 operations			a de la companya de l	
	Capital Cost	O&M Cost	Other Costs	Approved		Associated Ers (list	all applicable):		
Previous	\$	\$ -	\$ -	\$	Committee Committee Committee				aa abada garan maana
2013		\$ -	\$ -		000				
2014		\$ -	\$ -	<del></del>	000				
2015 2016		\$ -	\$ - \$ -		000				
2016	\$ 60,000	\$ -	\$ -		000				
2018	The state of the s		<b>V</b>	10.10.10.10.10.10.10.10.10.10.10.10.10.1	000				
2019		\$ -	\$ -	4-1-3-0-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1	000				
Total	\$ 300,000	\$ -	\$ -	\$ 420,0	000				
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ER	2013	2014	2015	2016	2017	** Total	Mandate Excerpt (	it applicable): See Below	
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Resources Requirements: (	request forms and a	pprovals attached)					- 1 - ALC 1		
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Internal Labor Availability:	•	Medium Probability	☑ High Probablity	Enterprise Tech:	YES - attach form		alred labor boxes	should be checked to	
Contract Labor:	YES	☑ NO		Facilities:	YES - attach form			ners have been cont	and the control of th
				Capital Tools:	YES - attach form		10 T F 20 CA C E -	nse of how likely staf	
				Fleet:	YES - attach form	n 🗹 NO or Not Req	urea (tras does no	ot require a firm com	nacunency,
Key Performance Indicator	(s)								
Expected Performance Improven	nents								
KPI Measure:	Fill in the name of t			4					
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	This space is to be used for photographs, charts, or other data that	t may be useful in evaulating	ງ the Program
complet	ted by Capital Planning Group or decision		Review Cycles
complet onale fo	ted by Capital Planning Group r decision		Review Cycles 2012-2016
complet onale fo	ted by Capital Planning Group r decision	Date	
omplei	ted by Capital Planning Group r decision	Date	2012-2016

Functional Group: General

Business Case Name: HVAC Renovation Project at Mission Campus Headquarters

ER No: ER Name:

7101 COF HVAC Improvement

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$12,300<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	3	-	-	-	-	-	-	-	-	-	1	2	-
2015	9,250	-	-	-	-	-	-	-	-	-	-	-	9,250
2016	_	_	_	_	_	_	_	_	_	_	-	_	_

### **Business Case Description:**

The HVAC Renovation Project began in 2007 and 2008. The HVAC Project is a systematic replacement of the original 1956 Heating, Ventilation and Air Conditioning System for the Service Building, Cafeteria/ Auditorium and General Office Building. The original HVAC equipment has been operating 24/7 since original construction in 1956. The Project entails a floor by floor evacuation and relocation of employees and a complete demolition of each floor; including a massive Asbestos Abatement component, and removing the original fire proofing on the basic steel structure. The Project requires exhaustive demolition and reconstruction of each floor. Sustainable energy savings and conservation are built into the Project as we apply for LEED certification for each floor. The 5th, 4th, and 3rd floor has obtained LEED-CI Gold status recognizing all of the renewable strategies we employed during the design and construction phases. The goal of this project is to re-purpose and recycle the entire Facility for the next generation of Avista employees to use for 50 more years. Life cycle costs weighed heavily on our Construction Specifications and equipment choices during the design phase. The design team chose energy efficient equipment that was designed for 30 to 50 year life cycles.

### Offsets:

The attached business case does not show reductions in O&M costs. However, after further discussion it was determined that offsets do exist for the HVAC Renovation Project. This project will produce reductions in energy costs of \$66,000 in 2015 and additional reduced energy costs of \$10,000 in 2016. These costs should have been allocated to all services and jurisdictions. However, in the Company's O&M Offset adjustment, they were inadvertently allocated to just Washington Electric and Gas. The correct allocations to Washington are \$32,000 Electric / \$9,500 Gas in 2015 and additional reduced energy costs of \$4,800 WA Electric / \$1,400 Gas in 2016.

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

0



Investment Name:	HVAC Renovation Project								
Requested Amount	\$39,804,485 A	ssessments:							
Duration/Timeframe	8 Year Project Fi	Inancial:	MH - >= 9% &	<12% CIRR					
Dept, Area:	Facilities Mangement S	trategic:	Life Cycle Programs						
Owner:	Mike Broemling & Eric Bowles	perational:	Operations improved beyond current levels						
Sponsor:	Don Kopczynski B	usiness Risk:	<b>ERM Reduction</b>						
Category:	Project Pr	roject/Program Risk:	High certainty a	around cost, sched	lule and	resources			
Mandate/Reg. Reference:		ssessment Score:	105	Cost Sur	ummary - Increase/(Decrease)				
Recommend Project Desc	iption:		Performance	Capital Cost	08	M Cost	Other Cos	sts Bu	usiness Risk Scor
original construction in 19: and a complete demolition removing the original fire p and reconstruction of each we apply for LEED certifica recognizing all of the renev	quality in the Facility and saves tremendous amounts of energy going forward.								
employees to use for 50 m	purpose and recycle the entire Facility for the next generati ore years. Life cycle costs weighed heavily on our Contruction the design phase. The design team chose energy efficient eq life cycles.	on Specifications and	Electrical and the control of the co						Section S. A. San S. Section S. S
employees to use for 50 m equipment choices during	ore years. Life cycle costs weighed heavily on our Contruction the design phase. The design team chose energy efficient ed	on Specifications and	Electrical and the control of the co	Cost Sur	nmary -	ncrease/(D	ecrease)		The second secon
employees to use for 50 m equipment choices during	ore years. Life cycle costs weighed heavily on our Contruction the design phase. The design team chose energy efficient ed	on Specifications and	Electrical and the control of the co	Cost Sur Capital Cost		ncrease/(D M Cost	ecrease) Other Cos	sts Bu	usiness Risk Score
employees to use for 50 m equipment choices during designed for 30 to 50 year	ore years. Life cycle costs weighed heavily on our Contruction the design phase. The design team chose energy efficient exilife cycles.  The cycles.  The current condition of the HVAC system is very poor. It is our newest equipment was installed in the new addition of Building in 1978. 75% of our equipment was installed in 1: longer available for our equipment and replacement parts manufactured.	on Specifications and quipment that was is 60 years old and of the General Office 956, Parts are no s have to be			\$		Other Cos \$	sts Bu	usiness Risk Score
employees to use for 50 m equipment choices during designed for 30 to 50 year Alternatives:	ore years. Life cycle costs weighed heavily on our Contruction the design phase. The design team chose energy efficient exilife cycles.  The current condition of the HVAC system is very poor. It our newest equipment was installed in the new addition of Building in 1978. 75% of our equipment was installed in 19 longer available for our equipment and replacement parts	on Specifications and quipment that was is 60 years old and of the General Office 956. Parts are no is have to be different types of distinct ed for the Project.	Performance	Capital Cost Varies, but in the hundreds of thousands as equip. breaks	0&	M Cost	Other Cos	sts Bu	

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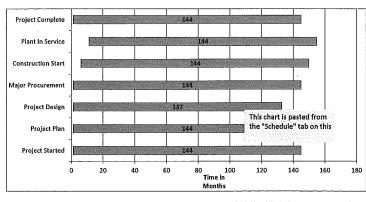
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applicable)

name of alternative (if



Alternative 3 Name: Brief Describe other options that were considered

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 18,121,485	\$ -	\$ -	\$ 18,121,485
2012	\$ 4,300,000	\$ -	\$ -	\$ 4,300,000
2013	\$ 6,500,000	\$	\$ -	\$ 8,053,000
2014	\$ 10,000,000	\$ -	\$ -	\$ 6,550,000
2015	\$ -	\$ -	\$ -	\$ 5,750,000
2016	\$ -	\$ -	\$ -	\$ -
2017	\$	\$ -	\$ -	\$ -
2018	\$	\$ -	\$ -	\$
Future	\$ -	\$ -	\$ -	\$ -
Total	\$ 38,921,485	\$ -	\$	\$ 42,774,485

Construction Cash Flows (CWIP)

### Milestones (high level targets)

October-07 5th Fir Start Const.
December-08 5th Fir In Service
March-09 4th Fir Start Const.
February-10 4th Fir In Service
May-10 3rd Fir Start Const.

Jun-11 2nd Fir Start Const. Oct-12 2nd Fir In Service Jan-13 1st Fir/Bsmt Start Const. Mar-14 1st Fir/Bsmt In Service

3rd Fir Start Const. Apr-14 70's Addition Start Const. Mar-11 3rd Fir In Service Jun-15 70's Addition In Service

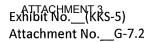
# Associated Ers (list all applicable): Mandate Excerpt (if applicable):

Current ER 7101 7001 7003 7050

ASHRAE- When upgrading HVAC Systems, all design has to conform to ASHRAE standards, and air flows are regulated by the Washington Administrative code (WACS).

### Additional Justifications:





Resources Requirements: (request forms Internal Labor Availability: Low Probabilit Contract Labor: Y YES		Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	NO or Not Required NO or Not Required ✓ NO or Not Required ✓ NO or Not Required ✓ NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general
	ne of the KPI here ne of the KPI here	Prepared	signature		sense of how likely staff will be provided (this does not require a firm committment).
600 —— Project FO Rate 400		Reviewed	signature	Direc	otor/Manager
200 2004 2005 2006 2007	This graph is to provide a place to direct the KPI benefit. Providing a graph is recommended to help communicate what the project is intended to	Other Party Review (if necessary		Manya St. Direct	HWU-3 tor/Manager
Spockare Corporato Carmin med-anical system virida carmin med-anical system virida carmin med-anical system virida carmin the years, soldending not provide good flashilly difficult to locate.  As a mest, Avista Corp. The first stop in the processor of the provide good flashilly difficult to locate.  As a mest, Avista Corp. The first stop in the processor of the provided by general color of the provided by general provided difficult of the provided difficul	Onze but space and control to the co	Ica b siding on their top of the current to be building and in the current to be building and in the building and in the current to be building and in the current to be building and in the current to the project. This foresten for each attack payworks the current to the curre	Account.  10. R  11. R  10. R  11. R  10. R  11. R  10. R  11. R  10. R	enewaten Option 84: This option provided to the control of the con	this same as Option 44. Notwerer, it utilizes a lower into part on each froot. By units a lower discharge at manding units on each floor to either serve the respective. This estimates the united of a performance and the control of the server the respective to the server the respective of the performance of the control o
To be completed by Capital Plannir Rationale for decision	ig Group				view Cycles 2012-2016
			Date		Template

Functional Group: General

**Business Case Name:** New Deer Park Service Center

ER No: ER Name:

7135 Deer Park Service Center

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$2,500<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	2,750	-	-	-	-	-	-	-	-	-	-	-	2,750
2016	-	-	-	-	-	-	-	-	-	-	-	-	-

## **Business Case Description:**

Replace existing Deer Park Service Center. Current building is over 40 years old, and existing storage yard is becoming too small for ever-growing inventory. Environmental concerns with existing site located near railroad tracks, and close proximity to city water well. Presently cleaning up existing soil contamination, and prolonged remaining at site could lead to environmental spills in the future. The existing building is tight for current line truck sizes, warehouse is undersized, and has code compliance and security issues. Deer Park is one of our lower-performing service centers on the Facilities Building Survey Report.

#### Offsets:

No O&M offsets are presented on the attached copy of the Business Case, however after further discussion it was determined that \$16,000 of annual savings will occur in 2015. Savings are from facilities energy and maintenance savings including employee efficiencies due to larger facilities and more spacious storage yard. Of the \$16,000, Washington's portion of this is \$12,583 Electric and \$2,688 Gas. This has been included in the O&M Offsets adjustment as shown in Company witness Mrs. Andrews' workpapers.

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

## Capital Project Business Case

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_G-9.1



Investment Name:	New Deer Park S	ivc Ctr		Assessments:						
•	\$2,500,000 1 year	2015		Financial:						
	Facilities	308 SW014 1974		Strategic:	Customer Cos	st Management				
	Mike Broemling			Business Risk:		Reduction >0 and				
Sponsor:	Don Kopcyznski			Project Risk:	High certainty around cost, schedule and resources					
Category:	Project			Assessment Score:	. 54	l Annual Car	t Summary - Increa	so//Docrossa)		
Mandate/Reg. Reference: Recommend Project Descri	n/a			Assessment score.			Committee of the commit		Business Risk Sco	
Replace existing Deer Park S		nt hullding is over	40 years old and	Lovieting storage yard	Performance 2 linemen	\$ 2,500,000	O&M Cost \$ 10,000	Other Costs	4	
replace existing Deel Pain's s becoming too small for eval ailroad tracks, and close pr and prolonged remaining at ight for current line truck s Deer Park is one of our lowe	ver-growing invento oximity to city wate t site could lead to e izes, warehouse is u	ry. Environmental r well. Presently cl nvironmental spills ndersized, and has	concerns with exi eaning up existing s in the future. Th code compliance	sting site located near g soil contamination, e existing building is a and security issues.						
•					l ne fee		t Summary - Increa		Business Blok Con	
Alternatives:	la a i ·			C	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Sco 8	
Jnfunded Project:	capital funding will usability. Storage ya trucks will remain a	need to be poured ard will eventually I tight fit, and in so	l into the building become too smal me cases, remain	ll for material. Line exposed to weather.	n/a	\$ 50,000				
Alternative 1: Brief name	Company of the Compan		Sales Sales and	the service center is	describe any	\$ -	\$ -	\$ -	4	
f alternative (if applicable)		environmental iss	ues. Public street:	r, unknown as to soil s to north and east. Lo amination?).	incremental t changes in operations					
Alternative 2: Brief name of alternative (if applicable)	Describe other opti	ons that were con	sidered		describe any incremental changes in operations		\$ 200	\$	O STATE OF THE STA	
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other opti	ons that were con	sidered		describe any incremental changes in operations	\$		\$	0	
TIS MICHIGAN AND COMPANY AND C	00.00.000000000000000000000000000000000		red 1945 i e red Robinson fra Konsider Affeldik SK							
Program Cash Flows		34.5							gudenie odka	
No hope weeks common any game on game	Capital Cost	O&M Cost	Other Costs	Approved		Associated Ers (list				
Previous 2013		\$ - \$ -	\$ -	\$ -		7001				
2013 2014	A Branch Control of the Control of t	\$ - S -	\$ -	\$ -						
2015	1 ▼ Na na Andrea ( and an	\$ -	\$ -	\$ 2,750,000	1					
2016		\$ -	\$ -	\$ -	28					
2017+ Total		\$ -	\$ - \$	\$ -						
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ER	2013	2014	2015	2016	2017+	Total	Mandate Excerpt	(if applicable):		
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otal	\$ -	\$ -	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000				
Milestones (high level t March-15 November-15	argets) Start Construction Plant in service	1								
lesources Requirements: ( nternal Labor Availability: Contract Labor:		pprovals attached; ☐ Medium Probability ☐ NO	High Probablity	Enterprise Tech:  Facilities;	_	□ NO or Not Required □ NO or Not Required		-	NO or Not Required	



Key Performan	ce Indicator(s) ance Improvements					
KPI Measure:	Fill in the name of the KPI here Fill in the name of the KPI here					
1,2	#REFI					
1	MREF		-			
0.8	——Project FO Rate		Prepared	signature	Vance Ruppert	
0.6	—— Poly. (#REFI)					
0.4		<del></del>	Reviewed	signature	Eric Bowles Director/Mana	ger
0.2				- parameter	7112 in Steel	VM Q
0		Oth	er Party Revlev (if necessary	v <u>signature</u> )	Director/Mana	ger
	1				,	
	This space is to be used for photographs, charts, or c	other data that may	be useful in e	vaulating the F	Project	
	f					
					•	
100		(2-1)M-1-1-01			·	
To be comple	eted by Capital Planning Group					
Rationale fo	or decision				Review Cycles 2012-2016	
			Date		Template	
				783 6		
						managa-santingangang-rapagangang-bigg/hasakakokokokokokokokok

Functional Group: General

**Business Case Name:** Central Office Facility – Mission Campus ("COF") Long-term Restriction Phase 2

ER No: ER Name:

7131 COF Long Term Restructuring Plan Phase 2

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$5,000<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014													
2015	2,000	-	-	-	-	-	-	-	-	-	-	-	2,000
2016	-	-	-	-	-	-	-	-	-	-	-	-	-

#### **Business Case Description:**

COF Long Term Restructuring Plan, Phase 2. This project involves the construction of a new Fleet Vehicle Garage and 4-story parking structure. By the end of 2015, Facilities projects will add approx. 183 new cubicles. Our parking lots will be beyond max capacity. The Fleet Garage is over 50 yrs old and is constrained. New garage will allow for maintenance of Compressed Natural Gas vehicles as the current bldg does not allow for this. Once Fleet is relocated there will be a distinct separation between operational/service vehicles and employee vehicle. This separation will increase safety by eliminating intermingling of pedestrians in work areas. Office building & parking garage is projected to allow Call Center and any leased facilities to come back to Mission campus. Ross Park conversion to office will secure any future employee expansion that will occur.

#### Offsets:

There are no offsets presented on the attached Business Case, however we anticipate in increase in O&M costs related to this project occurring in 2015 and 2016 related to the need for additional parking at our Mission Campus. The amount included for the increase in O&M costs is \$11,000 in both 2015 and 2016 for a total of \$22,000. After final revenue requirements were established, it was determined that these costs should be allocated to all services and jurisdictions rather than just to Washington Electric and Gas. Washington's correct allocation of these costs are \$10,600 Electric and \$3,100 Gas.

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_G-10.1

## AVISTA

Investment Name:	COF LngTrm Re	struct Ph2			Separate Control of the Control of t			, (((((((((((((((((((((((((((((((((((((	ient Nod
Requested Amount	\$43,500,000	Voor Project		Assessments:	7.00%				Complete the second stands of
Duration/Timeframe Dept, Area:	Facilities	Year Project		Financial: Strategic:	Other			100 M CREEK 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
Owner:	Mike Broemling a	ind Eric Bowles		Business Risk:	Business Risk	Reduction >10 and			
Sponsor:	Don Kopczynski			Project Risk:	High certainty	around cost, sched	lule and resources		
Category:	Project n/a			Assessment Score:	#NAME?	Annual Cost	Summary - Increas	e/(Derrease)	
Mandate/Reg. Reference: Recommend Project Descri	CONTRACTOR OF THE PROPERTY OF			Massessifient acore.	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
COF Long Term Restructuring P		Mission campus size by	purchasing and de	veloping adjacent lots,	State of the art	\$ 47,500,000	\$ -	\$ -	2
reroute Crescent Ave. to make	one contiguous lot, co	nstruct new Fleet / Ser	vice Shops Building	, convert all of 1950's	fleet building.				
Service Bldg to Office Space, an projects will add approx. 183 ne					Service vehicles contained to	I BENEFIT			
old and is constrained by its din					STATE OF THE PROPERTY OF THE PARTY OF THE PA				
of CNG vehicles, current bldg d					Employee		7.5		
vehicles and Administrative Em nedestrians in work areas. Offic					vehicles near main GOB				
				Married Colon (1998) - Anna Santania (1998) - Anna Santania		CONTRACTOR OF THE PROPERTY OF	Summary - Increas		
Alternatives:	E	l overflow into Logan n	alabbarhaad Ciby of	Engkang will probably	Performance	Capital Cost	O&M Cost	Other Costs S -	Business Risk Score
Unfunded Project:				walk time from employee	n/a	,	3		1.5
				r Road Fleet Bldg, with its					
	departments (i.e. call		or purchased faciliti	es off site of COF for Avis					
Alternative 1: Brief name	Build extra parking	lot on Ross Court C		O add'l spaces req'd. t	- 4	\$ 2,000,000	\$ 20,000	\$ -	2
of alternative (if		ee load. Inconvenie	nt and Increased	walk times for	incremental				
applicable)	employees.				changes in operations				
Alternative 2: Brief name	Build new fleet bui	lding off-site. Purch	ase new lot for c	onstruction. Travel	describe any	\$ 7,000,000	\$ 20,000	\$ -	0
of alternative (if	<ul> <li>Long to the control of the particular property.</li> </ul>	ncies greatly increas			incremental				
applicable)					changes in				
					operations			27.0	
Alternative 3 Name : Brief	Describe other opt	lons that were cons	ldered		describe any	\$ -	\$ -	\$ -	0
name of alternative (if applicable)	See				Incremental changes in				
application of the second	Barrier -				operations				
Program Cash Flows	0	Logiscon	Cuber Cente			Acceptanced than Man	all and Backley.	22.000	
Previous	Capital Cost	O&M Cost	Other Costs	Approved \$ -		Associated Ers (list 7126		25.2	
2013		\$ -	\$ -	\$ -					
2014	\$ 500,000	\$ -	\$	\$ 590,00	00				
2015		\$ -	\$ -	\$ 1,410,00					
2016 2017		\$ -	\$ - \$ -	\$ 3,000,00		er add'i justification			
2017				\$ 14,000,00		, add justinoutor			
2019				\$ 15,000,00	00				
Total	\$ 43,500,000	\$ .	\$ -	\$ 43,000,00	0				
ER	2013	2014	2015	2016	2017	Total	Mandate Excerpt (	if applicable):	
7126	\$ -	\$ 500,000	\$ 2,000,000	Company of the compan		and the state of t		tation of the law or	regulation and a
0	\$ -	\$ -	\$	\$	SEE NOTE	\$ -	refe	rence number if po	ossible
0	\$ -	\$ -	\$ -	\$ -		\$ 5			
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0 0	\$ -	\$ -	\$ - \$ -	\$ -	\$ -	\$ -	<ul> <li>New Automotive and the probability of the State of the St</li></ul>	equest \$500K in 20	114 (start purchase rchase adjacent lots),
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	<ul> <li>Park, Transport Value, Straffer Designation Pre-</li> </ul>	through the policy of the following reader, but the first the	eroute), \$9M in 2017
0	\$ -	\$ -	\$ -	\$ -		\$ -			w Service Shops and
0	\$ -	\$ -	\$ -	\$	March A. Tarabasan and A. Harris, an	\$ -	<ul> <li>Becommon the control of the control of</li></ul>	Resembled to the artists of the contract of the con-	w Service Shops and
0	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -			vert Old S. Bldg to
0	\$ -	\$ -	\$ -	\$ -		\$ - \$ -	Office	and new parking ga	rage/iot).
Total	š -	\$ 500,000	\$ 2,000,000		The state of the s	A CONTRACTOR OF THE PROPERTY O			
Milestones (high level April-16 September-16 January-16 December-16 April-17 May-18	targets)  Ross Court parking Ross Court parking Fleet Bldg Start Co fleet bldg in servic Park garage & offlit Park garage & offlit	g in service onstruction e ce start const.		Ross Park convert t		ruction		Use your jud	should be general. Igement on project that progress can
Resources Requirements: Internal Labor Availability: Contract Labor:		approvals attached)  Medium Probability  NO	☐ High Probability			□ NO or Not Required □ NO or Not Required			NO or Not Required NO or Not Required



Key Performance	e Indicator(s)	•
Expected Performan	ice Improvements	
KPI Measure:	Fill in the name of the KPI here	
	Fill in the name of the KPI here	
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	#REF!	
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	#REFI	Prepared Vance Ruppert
0,8		vance (Appen
	—— Poly. (#REFI)	
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		Reviewed Eric Bowles
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	1	(ii itecessary)
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	COF LngTrm Res	truct Ph2 REV JULY-14.pdf
	331 213	

b be completed by Capital Planning Group Rationale for decision		Review Cycles
		2012-2016
	Date	Template

Functional Group: Natural Gas Distribution

Business Case Name: Aldyl A Replacement

ER No: ER Name:

3008 Aldyl -A Pipe Replacement

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$50,905<sup>1</sup>

## Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	4,342	-	-	-	-	-	-	-	-	-	1,549	640	2,153
2015	16,817	967	906	1,043	1,197	1,497	1,485	1,409	1,625	1,630	1,642	1,203	2,213
2016	17,385	1,000	937	1,078	1,238	1,548	1,535	1,456	1,680	1,685	1,697	1,244	2,288

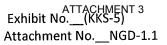
## **Business Case Description:**

This program covers the replacement of 730 miles of pre-1987 Aldyl A mains and the remediation of 16,000 bending stress sites on services tapped from steel main. Due to the tendency for this material to suffer brittle-like cracking leak failures, Aldyl A will eventually reach a level of unreliability that is not acceptable. Please also see Company witness Labolle for further details regarding this program.

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.





Investment Name:	Aldyl A Replacer \$16.5MM	nent_mains and	bending stres		sments:							
Requested Amount Duration/Timeframe		Year Program	. Mr. 19-207, 1811 (1911)	Finan	the control of the co	Medium - >= 5	% &	<9% CIRR				
Dept, Area:	Gas Delivery		Service In 18 ANS	Strate		Life Cycle Prog	W** A TTTT	waya				
Owner:	Mike Faulkenberry	<b>/</b>		Opera	ational:	Operations rec	uire	execution to p	erform at current	leve	is	
Sponsor:	Don Kopcyzynski		TESA ALEXA	Busin	ess Risk:	ERM Reduction						
Category:	Program			Progr	am Risk:	High certainty	arou	nd cost, sched	ule and resource:	3		
	n/a			Asses	sment Score:	89	100	Annual Cost	Summary - Increas	se/(C	ecrease)	
Recommend Program Desc	ription:					Performance		Capital Cost	O&M Cost		Other Costs	Business Risk Score
This program covers the re						As Aldyl A is	\$	10,250,000	\$ -	\$		5
16,000 bending stress sites suffer brittle-like cracking la acceptable. There is a pote high likelihood of increasing	eak failures, Aldyl A v ential harm to the pu	will eventually read blic through dama	h a level of unrel ge to life and pro	liability	that is not	removed, O&M expense associated with repairing the increasing leaks will be eliminated in proportion				- 100 miles		
						I 8 4			Summary - Increa	se/(E	Oecrease) Other Costs	Business Risk Score
Alternatives:	la a region					Performance	22.25.3	Capital Cost	O&M Cost	Ś	3,000,000	15
Unfunded Program:	if unfunded, the inc in more than 13 cat and Oregon, the co expenses for O&M period, an average	astrophic events in st of the effects (a leak repair could to	n Washington alc a 10% escalatio otal more than \$	one. Ex n) and	tended to Idaho Increasing				Section 1.		3,000,000	
Alternative 1: Brief name of alternative (if applicable)	20 year replacemer service taps each ye that if pipe is remo- could occur over 20 highest risk facilitie avoid any incidents	odeling suggests strophic events oach to remove	expense		17,552,196	\$ (60,000	) \$		5			
Alternative 2: Brief name	Describe other opti	ons that were con	sidered			proportion describe any	\$		\$	\$	E No. 2011	0
of alternative (if applicable)						incremental changes in operations						
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other opti	ons that were con	sidered			describe any incremental changes in operations	\$		\$	\$		O
Program Cash Flows			5 10000			Associated Ers (	list a	il applicable):				
5 years of costs	MILITER STATE OF THE STATE OF T				25-33 (24) menolorina reminenta	Current ER	83			100		
	Capital Cost	O&M Cost	Other Costs		Approved					86		
2012		\$ = = -	\$ -	\$	5,000,000						<u>mpara Enter</u>	
2013		\$ -	\$ -	\$	12,710,904	<del>-</del>					•	
2014	The second secon	\$ -	\$	\$	16,702,196							
2015		\$ -	\$ -	\$	16,817,429							
2016		\$ -	\$ -	\$	17,385,272	<del></del>						
2017		\$	\$ -	7	18,262,977							
2018		\$ = \$ =	\$	\$	18,648,237 19,062,221							
2019 Tota		\$	\$ - \$ -	Ś	124,589,236							
	2% inflation includ		1			_						
Mandate Excerpt (If applic	able):									200		
provide brief citation of the		and a reference	number if poss	sible								
	vourtes Mare Barrier (vol.			armings in				enancii in Rospo kili i	reservations transcription	-10,00		

Avista has experienced 2 Injury and property damage events due to failing Aldyl A since 2005 and is currently bound by a settlement agreement with the Washinging Utility and Transportation Commission. Further events of this nature will most likely result in some sort of mandatory pipe replacement program with a timeline we cannot control. Taking a proactive and priority-justified

Facilities:

Capital Tools:

YES - attach form

YES - attach form

YES - attach form

☑ NO or Not Required

NO or Not Required

NO or Not Required

approach is critical at this time to protect life and property for the public as well as reduce Avista's exposure to the risks of liability and regulatory scrutiny.

Medium Probability High Probability Enterprise Tech:

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided

Contract Labor:

Additional Justifications:

Internal Labor Availability: Low Probability

Resources Requirements: (request forms and approvals attached)

□ NO

**✓** YES

AVISTA

Capital Program Business Case

Exhibit No. ATTACHMENT 3
Attachment No. NGD-1.2

YES - atta

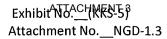
Fleet:

YES - attach form

☑ NO or Not Required

(this does not require a firm committment).

### Capital Program Business Case





ey Performance Ind pected Performance In PI Measure:	provements Pre	vention o	of leaks and t me of the KP	heir consequences I here		Proported signature			
	-	Base Case	Replac	ement Case		Prepared <u>signature</u>			
90 350 350 350 350 350 350 350 350 350 35				$\sim$		Reviewed <u>signature</u>	D	pirector/Manager	
150 Locast Nii		V				r Party Review signature (if necessary)	rugi	YUUNS Director/Manager	
2010	2015	20	Year	2025 2030	2035			NS (Message and Other and Control of the Section of	
Business Case	ERM Risk Reduction	Unfunded Raw Score		P	I Waster	Unfunded Project/Program Risk (no funding if a proje	ect, cease funding if	an existing program)	I
	Reduction	Naw Score	Naw Score	Financial Impact (Consequential Costs/Revenues)	Ukelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
				3 - \$2MM - \$4MM	< Once / year	4 - Potential for regulators to impose onerous restrictions or Board or management to make leadership change	  < Once / year		
				Environmental	Likelihood	Safety and Health; Public	Likelihood	Safety and Health: Employee	Likelihood
						5 - Potential for multiple loss of lives Wide spread damage on property or business Public health infrastructure impact up to 72 hours	< Once / year	2 - Potential for minimal or minor injury Lost Time Incident and Severity Rate Increases year over year	< Once / 5 years
dyl A Replacement ains & bending	15	20	5			Revised Risk if funded/	/completed		
ess tees)	15	20	3	Financial impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Ukelihood
				3 - \$2MM - \$4MM	< Once / 50 year	3 - Could result in a sustained negative impact to rs local, online, or industrial relationships and / or national / global media coverage			
				Environmental	Ukelihood	Safety and Health: Public	Ukelihood	Safety and Health: Employee	Likelihood
						5 - Potential for multiple loss of lives Wide spread damage on property or business Public health infrastructure impact up to 72 hours		2 - Potential forminimal orminorinjury Lost Time Incident and Severity Rate Increases year over year	< Once / 50 year
UTC Docket U	G-120715	Commis	ssion Policy	on Accelerated Repla	acement of P	ions based on new models and informa ipeline with Elevated Risk was issued o ed in Oregon with NWNG.		31, 2012. The new policy will	
be completed b		l Plannir	ng Group						
Rationale for dec	ISION							Review Cycles 2012-2016	
						Date		Template	
							E ( E 8 )		

Functional Group: Natural Gas Distribution

**Business Case Name:** Cathodic Protection

ER No: ER Name:

3004 Cathodic Protection-Minor Blanket

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$2,650<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	210	-	-	-	-	-	-	-	-	-	11	123	75
2015	950	44	43	58	67	80	102	100	100	100	89	73	97
2016	1,000	47	45	61	70	84	106	104	105	105	94	76	104

## **Business Case Description:**

This program will replace existing and install new cathodic protection systems to ensure compliance with 49 CFR 192, Subpart I - "Requirements for Corrosion Control" that requires pipelines be protected against external corrosion by means of a cathodic protection system. This program will ensure appropriate cathodic protection levels are maintained, reduce corrosion related failures, help prevent leaks within steel pipeline systems and enhance public safety.

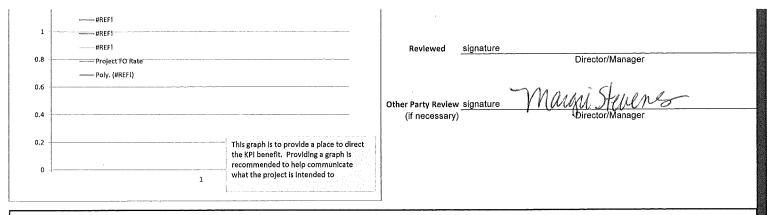
#### Offsets:

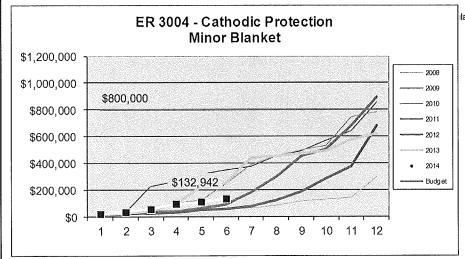
<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Cathodic Protect	ion. Natural Gas	1	7					
Requested Amount	\$950,000			Assessments:					
Duration/Timeframe	on-going	Year Program		Financial:	9.00%				
Dept, Area:	Gas Operations			Strategic:	Reliability & ca				
Owner:	Mike Faulkenberry	<u> </u>		Business Risk:		Reduction >5 and			
Sponsor:	Don Kopczynski			Program Risk:	Moderate cert	ainty around cost, s	chedule and reso	urces	
Category:	Mandatory 49 CFR 192, Subr	and I "Doguirom	onto for Correct	Association to Constitution	138	Annual Cost	Summary - Increas	o//Docrozeo)	
Mandate/Reg. Reference: Recommend Program Desc		Janti - Requiren	ients for Contos	ijAssessment score:	in Landon Street, Street, Street, older Street	- Anna and the Control of the Contro	Newspapers (Newspapers)	EXTENSIVE SECTION AND ADDRESS OF	
					Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This annual program will rep compliance with 49 CFR 192	_				describe any incremental	\$ 950,000	\$ -	\$ -	
protected against external of					1				
appropriate cathodic protec					this Program				
leaks within steel pipeline s					would benefit				
:-					present				
	4.10.2%				operations			LANNEL E	
							Summary - Increas		
Alternatives:					Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Avista would be out	t of compliance in I	portions of its gas	s distribution system.	n/a	\$ -	\$	\$	12
Alternative 1: Project as	Install new and repl	ace existing cathor	dic protection sys	tem	describe any	\$ 800,000	\$ -	s -	4
described above.	stan new and repi	and children carrier	and proceeding by		incremental	300,000			
					changes in				
* *			Esta North		operations				
Alternative 2: Brief name	Describe other option	ons that were cons	idered	·	describe any	\$ -	\$ -	\$ -	0
of alternative (if	•				incremental				
applicable)					changes in				
			·		operations				
Alternative 3 Name: Brief	Describe other opti-	ons that were cons	sidered		describe any	\$ -	\$ -	\$ -	0
name of alternative (if					incremental				
applicable)					changes in				
					operations			50 200 pag 000 000 1000.	to sector (year) continues
Program Cash Flows	Capital Cost	O&M Cost	Other Costs	Approved	1	Associated Ers (list	all applicable):		
Previous		\$ -	\$ -	\$ 500,00	0	3004			
2014		\$ -	\$ -	\$ 700,00					
2015	\$ 950,000	\$ -	\$ -	\$ 950,00	0				
2016		\$ -	\$ -	\$ 1,000,00				<u> </u>	
2017		\$ -	\$ -	\$ 1,250,00					
2018		\$ -	\$ -	\$ 1,250,00 \$ 1,250,00					
2019 2020+		\$ - \$ -	\$	\$ 1,230,00	<u>.</u>				
Total		\$ -	\$	\$ 6,900,00	0				
Landa de la constantina della									
ER	2014	2015	2016	2017	2019	Total	Mandate Excerpt		
3004		\$ 1,000,000	\$ 1,250,000						vided in paragraphs
0	\$ -	\$ -:	\$ -	\$ -	\$ -	\$ \$	(b), (c), and	(f) of this section,	July 31, 1971, must
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			osion, including the
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Land Arman	construction.	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$			
Total	\$ 950,000	\$ 1,000,000	\$ 1,250,000	\$ 1,250,00	0 \$ 1,250,000	\$ 5,700,000			
Resources Requirements: (	request forms and a	pprovals attached)							
The same of the sa						_	Check the a	ppropriate box. The i	Internal and contract
Internal Labor Availability:		Medium Probability	☐ High Probablity	Enterprise Tech:	YES - attach forn		Index boxu.	should be checked to	
Contract Labor:	✓ YES	□ NO		Facilities:	YES - attach form			wners have been cont	
				Capital Tools:	YES - attach form		1	ense of how likely staf not require a firm com	
				Fleet:	YES - attach form	n 🔽 NO or Not Req	uirea (cins does i	ioc require a mini com	
Key Performance Indicator	(s):53-2-2-2-2-2-2-2-2-2-2-2-2-2-2-2-2-2-2-2								
Expected Performance Improven	nents			14 2					
KPI Measure:	Fill in the name of t			_					
	Fill in the name of t	he KPI here		Т	B	alamatur-			
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lating the Program

onale for decision		Review Cycles
		2012-2016
	Date	Template
	H CHANGE	
	A) Hillia Albaharan Baran	

Functional Group: Natural Gas Distribution

Business Case Name: Gas Non-Revenue Program

ER No: ER Name:

3005 Gas Distribution Non-Revenue Blanket

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$18,600<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	1,060	-	-	-	-	-	-	-	-	-	248	143	669
2015	7,664	627	472	506	655	620	633	765	653	656	761	559	757
2016	8,595	714	552	584	736	696	704	843	725	729	841	635	835

## **Business Case Description:**

This annual program will replace sections of existing natural gas piping that require replacement to improve the operation of the gas system but are not directly linked to new revenue. The program includes replacement of pipe and facilities that are at the end of their useful life or have failed. It includes improvements in equipment and/or technology to enhance system operation and/or maintenance, replacement of obsolete facilities, replacement of main to improve cathodic performance, and projects to improve public safety and/or improve system reliability. Starting in 2014, costs associated with the labor and minor materials to complete the Planned Meter Change-out ("PMC") program will no longer be captured in this Business Case, they will be on the "Gas PMC Program".

#### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



## ATTACHMENT 3 Exhibit No.\_\_(KKS-5) Attachment No.\_\_NGD-3.1

Investment Name:	Gas Non-Reve	nue Program									
Requested Amount	\$5,600,000			Assessments:			ant olde				
Duration/Timeframe	On-Going	Year Program		Financial:	Medium - >= 5	CANTES AND MAKES	A Charles of the second				
Dept, Area:	Gas Operations Mike Faulkenbe			Strategic: Operational:	Reliability & Ca			erform at	current l	evels	
Owner: Sponsor:	Don Kopczynsk			Business Risk:	ERM Reductio	And the second					
Category:	Program			Program Risk:	Moderate certa			chedule a	nd reso	urces	
Mandate/Reg. Reference:				Assessment Score:	89		Annual Cost	Summary	- Increas	e/(Decrease)	
Recommend Program Desc	ription:				Performance	С	apital Cost	O&M	Cost	Other Costs	Business Risk Score
This annual program will re	place sections of e	xisting gas piping the	nt require replace	ment to improve the	describe any	\$	5,600,000	\$		\$ -	8
operation of the gas system	n but are not direct	ly linked to new rev	enue. The progra	m includes	incremental						
replacement of pipe and fa					changes that						
improvements in equipmer	Contract to the property of the contract of	The state of the state of the state of the state of			this Program						
replacement of obsolete fa					would benefit						
improve public safety and/o					present						
and minor materials to com		The country of the Committee of the Comm			operations						
will be on the "Gas PMC Pro											
the historical spend has bee	en nign in this cate	gory, so the resultan	t 2014 request is	36,00,000 (total).							
						Section 200				- Un	
••			10 12 10 10 10 10					O&M	THE RESERVE OF THE PARTY OF THE	e/(Decrease) Other Costs	Business Risk Score
Alternatives: Unfunded Program:	Lauren udt be use	blo to samulate son	tal nan tavanya	system enhancements	Performance n/a	\$	apital Cost	\$	COSC	\$ -	8
Ontunded Program:	Avista will be una	bie to complete cap	tai non-revenue	system emiancements	п/а	1		7			
Alternative 1: Brief name	Complete installa	tion and/or upgrade	of non-revenue	issets	n/a	\$	5,600,000	\$		\$ -	2
of alternative (if											
applicable)											
Alternative 2: Brief name	Nicolastica (Nicolastica)				n/a	\$		\$		\$ -	0
of alternative (if											
applicable)											
Alternative 3 Name : Brief	RESEARCH STATE				describe any	\$		\$		\$	0
name of alternative (if	ESSENCE				incremental						
applicable)					changes in						
					operations						
			×4					ment work was server common to the	-XX		
Program Cash Flows					Associated Ers (	list all	applicable):			25 (Story Senior 1)	
5 years of costs	Capital Cost	O&M Cost	Other Costs	Approved	Current ER 3005				2000 2000 2000 1000 1000 1000 1000 1000		
Previous	C.D. Section Control Control	\$ -	\$ -	Ś -	3000	1000000				Maria de la composición del composición de la co	
2012			\$ -	\$ 3,823,000		Bases					
2013	\$ 4,349,696		\$ -	\$ 7,949,690		1	vilja, -is-amenas is-acci	1000 St. 20, 21 St. 21 St. 22			The state of the s
2014	\$ 5,600,000		\$ -	\$ 6,600,000							
2015	\$ 6,000,000	) \$ -	\$	\$ 6,000,000							
2016	\$ 6,000,000	) \$ -	\$ -	\$ 6,000,000							
2017	\$ -	\$ -	\$ -	\$ 6,000,000							
2018		\$=====	\$ -	\$ 6,000,000							
2019		\$ -	\$ -	\$ 6,000,000							
Total	\$ 26,172,69	) \$	\$ -	\$ 48,372,690	j						
	•										
Mandate Excerpt (if applic	ahla):										
manuate Except to applic	амер.								National I		
						and the same of the same	V-4. W.		~~~~	The second secon	
Additional Justifications:		2 2 2 2 2 2									
The program addresses a n					and the field of the National State of St.	oublic s	safety and syst	em reliabili	ty. (Exar	nple: Incremental	pipe enhancements,
replacement of odorization	equipment, instal	lation of steel pipe to	enhance system	cathodic protection, et	c.)						
										<u> </u>	464 EVENT - 120 EV
Resources Regulrements: (	request forms and	approvals attached,									
							variation and in the control of the	Ch	eck the a	ppropriate box. The	Internal and contract
Internal Labor Availability:		Medium Probability	✓ High Probablity	Enterprise Tech:	YES - attach form		NO or Not Requ	<sup>ired</sup> lal	or boxes	should be checked t	o indicate if the
Contract Labor:	☑ YES	□ №		Facilities: Capital Tools:	YES - attach form		NO or Not Requ				facted and to provide
				Fleet:	YES - attach form		NO or Not Requ	#Press		nse of how likely sta ot require a firm com	
							- 110 or mor wedn			spourte keelbildi ita 74	- A C   A C

Reviewed



Key Performance Indicator(s)

Expected Performance Improvements

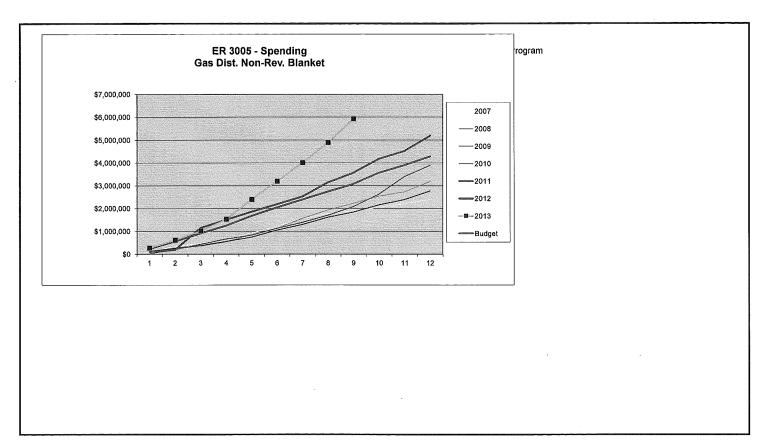
KPI Measure:

Prepared signature

signature

Director/Manager

Other Party Review signature Augus Stubes
(if necessary) Director/Manager



e completed by Capital Planning Group ationale for decision	NEVIEW CYCLES				
	Date	Template			
	Service Control Contro				

Functional Group: Natural Gas Distribution

Business Case Name: Gas Reinforcement

ER No: ER Name:

3000 Gas Reinforce-Minor Blanket

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$3,000<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	122	-	-	-	-	-	-	-	-	-	27	18	77
2015	1,000	68	56	66	74	81	103	116	95	96	87	81	77
2016	1,000	68	56	66	74	81	103	116	95	96	87	81	77

## **Business Case Description:**

This annual program will provide for necessary reinforcements and reliability looping of the existing gas distribution system in WA, ID, and OR. Avista has an obligation to provide reliable service that is of adequate pressure and capacity. Periodic reinforcement of the system is required to reliably serve due to increased demand at existing service locations and new customers. Execution of this program on an annual basis will ensure the continuation of reliable gas service that is of adequate pressure and capacity.

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Gas Reinforcem	ent		1					
Requested Amount	\$1,000,000			Assessments:			1000 444 244		
Ouration/Timeframe	On-Going	2012+		Financial:	MH - >= 9% &	<12% CIRR			
Dept, Area:	Gas Operations	a a company		Strategic:	Reliability & Ca	apacity			
Owner:	Mike Faulkenber	y .		Operational:	Operations no	t impacted by exec	ution		
Sponsor:	Don Kopczynski			Business Risk:	ERM Reduction	n >10 and <= 15	Alla Comment		
Category:	Mandatory			Program Risk:	Moderate certa	ainty around cost, s	schedule and reso	urces	
Mandate/Reg. Reference:	WAC 480-90-148	(2)(d), IDAPA 31	.31.01.151, OR	Assessment Score:	143	Annual Cost	t Summary - Increas	se/(Decrease)	
Recommend Program Desc	ription:				Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Sco
This annual program will pr distribution system in WA, i adequate pressure and cap- increased demand at existir annual basis will ensure the The 2013 budget was cut ar capacity that will meet a de defined as Reinforcement P	ID, and OR. Avista hacity. Periodic reinfing service locations continuation of relind needs to be incresign day load. Speci	as an obligation to orcement of the sy and new customer able gas service th ased for 2014+ (to	provide reliable s stem is required t s. Execution of th at is of adequate \$1,000,000) to er	describe any incremental changes that this Program	\$ 1,050,000			4	
gerined as Keinforcement P	rojects.						-	100	
Alternatives:	Section 100 Section 100 Section				Performance	Annual Cost Capital Cost	Summary - Increas O&M Cost	se/(Decrease) Other Costs	Business Risk Sco
Status Quo :	Gas distribution rei	inforcements are in	lentified on an on	-going basis and need		CapitalCost	Ś -	\$ -	16
				n of reliable service.		Land Control C			
Alternative 1: Pipe	The transfer of the control of the c			force and loop existir		\$ 1,000,000	beautiful time	\$ -	4
Installation	gas distribution sys	tem to increase sy	stem reliability.		system monitoring during cold				
Alternative 2: Uprate Alternative	distribution system increase the delive	i to a 60 PSIG MAC ry capacity in addit	P. Uprating gas di	ressure of existing gas listribution system wi operating efficiency by operating pressures.	Reduction in regulator	\$ 50,000	\$ 100,000	\$	4
Alternative 3 Name : Brief	Describe other opt		account, and account, the party and a second	operating pressures.	describe any	\$ -	\$	\$	0,000
name of alternative (if	Describe other opt	ions that were con	3100700		incremental		ľ		
applicable)					changes in				
applicable)					operations				
	228. F9.256. 60. 75. 60.	<u>Christia la librado sego</u>	<u> WHAFIDHI NACIONIS</u>	<u>aldelalywiski kalislimitsio</u>	Operations		AND DESCRIPTION OF THE PARTY OF		<u> </u>
Program Cash Flows					Associated Ers	list all applicable):			
2012-2016			2 m/ser - 2 m/s - 2 m/	00017	Current ER		PERMITTED SERVICE		. Restauries
	Capital Cost	O&M Cost	Other Costs	Approved Capital	3000				
	Bernste Manager								
2012			\$ -	\$ 800,00					
2013			\$ -	\$ 1,120,00	The state of the s				
2014			\$ -	\$ 1,000,00					
2015			\$ 200	\$ 1,000,00	10.74				
2016		\$ -	\$ -	\$ 1,000,00					
2017			\$ -	\$ 800,00					
2018			\$ -	\$ 600,00	1000			•	
2019 Total		\$ -	\$ -	\$ 600,00 \$ 6,920,00	Late.				

Mandate Excerpt (if applicable):

WAC 480-90-148(2)(d), "Each gas utility must maintain its gas system in a condition that enables it to furnish safe, adequate, and efficient service." IDAPA 31.31.01.151, "Service to the customer shall assure the customer of adequate pressure, a definite heat content, and the accurate measurement of gas.", OR Tariff - Rule 14(A)(2), "The Company will exercise reasonable diligence and care to furnish and deliver a continuous and sufficient quantity of gas to its customers but does not guarantee continuity or sufficiency of quantity."

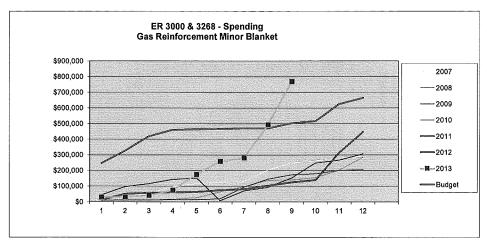
Additional Justifications:		
Program required to reliably serve customers		

## Capital Investment Business Case

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_NGD-4.2



Resources Requirements:	request forms and i	approvals attached)					
Internal Labor Availability: Contract Labor:	Low Probability YES	✓ Medium Probability  □ NO	☐ High Probability	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	✓ NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general
Key Performance Indicator	(s)						sense of how likely staff will be provided (this does not require a firm
Expected Performance Improver				•			commitment).
KPI Measure:	Cold Weather Rela Fill in the name of			-			
	riii in the name or	the Kri here		] Prepared	signature		
				Reviewed	signature	Direct	tor/Manager
						Dijec	tor/wattaget
				Other Party Review		Muryu Sta	tor/Manager



	ERM Risk	Status	Risk on			Status Quo Ri	ık		
Business Case	Reduction	Quo Raw Score	Completion Raw Score	Financial impact (Corsequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
				2 - \$200k - \$2MM	  < Once / year	4 - Potential for regulators to Impose onerous restrictions or Board or management to make leadership change	< Once / year	5 -> 120,000 Customer-hours	< Once / 5 years
				Environmental	Likelihood	Safety and Health; Public	Likelfhood	Safety and Health: Employee	Likelihood
						1 - Potential for injury Public health infrastructure impact up to 8 hours	< Once / 10 years	1 - Potential for injury	< Once / 50 years
						Risk upon Comple	etion		
Gas Reinforcement	12	16	4	Financial Impact (Consequential Costs/Reversies)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
				1 · < \$200k	< Once / 10 years	2 - Could result in a moderate negative impact to local, online, or industrial relationships and for regional media coverage	< Once / 10 years	1 - < 1,500 Customer-hours	< Once / 10 years
				Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood
					1	1 - Potential for injury Public health infrastructure impact up to 8 hours	< Once / 50 years	1 - Potential for Injury	< Once / 50 year

o be completed by Capital Planning Group Rationale for decision		Review Cycles 2012-2016
	Date	Template

Functional Group: Natural Gas Distribution

**Business Case Name:** Gas Replacement Street & Highway

ER No: ER Name:

3003 Gas Replace-St&Hwy

3302 HWY 62 - HP & IP Main Relocation & SSFT #1316

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$13,300<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	1,010	-	-	-	-	-	-	-	-	-	(18)	376	651
2015	4,500	266	244	283	322	395	408	401	434	436	431	329	552
2016	4,500	266	244	283	322	395	408	401	434	436	431	329	552

### **Business Case Description:**

This annual program will replace sections of existing gas piping that require replacement due to relocation or improvement of streets or highways in areas where natural gas piping is installed. Avista installs many of its facilities in public right-of-way under established franchise agreements. Avista is required under the franchise agreements, in most cases, to relocate its facilities when they are in conflict with road or highway improvements.

#### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Gas Replacemen	nt Street and Hig	hway	7									
Requested Amount	\$4,500,000			Assessments:		3 00 00 00 00 00 00 00 00 00 00 00 00 00							
Duration/Timeframe	On-Going			Financial:	Medium - >= 5	% & <9% CIRR							
Dept, Area:	Gas Operations		ederica de la Calenda	Strategic:	Other								
Owner:	Mike Faulkenberr	y		Operational:	Operations red	rations require execution to perform at current levels							
Sponsor:	Don Kopczynski			Business Risk:	ERM Reduction >10 and <= 15								
Category:	Mandatory		TO THE STATE OF TH	Program Risk:	Moderate certa	ainty around cost,	schedule and res	ources					
Mandate/Reg. Reference:	Franchise Agreer	ments and Permi	s - E-Care	Assessment Score:	140	Annual Cos	t Summary - Increa	ise/(Decrease)					
Recommend Program Desc	The second secon			1 1 1 1 10	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score				
This annual program will re or improvement of streets of facilities in public right-of-w franchise agreements, in m highway improvements.	or highways in areas vay under establishe	where gas piping d franchise agreen	is installed. Avist nents. Avista is re	a installs many of its equired under the	describe any incremental changes that this Program would benefit present operations	\$ 4,500,000	<b>5</b>		2				
design of the fact of the second of the seco						Annual Cos	t Summary - Increa	se/(Decrease)					
Alternatives:			100		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score				
Status Quo:	Avista would be ou and/or permits if w	GARAGE AND		inchise agreements	n/a	\$ -	\$	Simple the second secon	16				
Alternative 1:	Relocate facilities in established franchi		Daniel Laginaria, Thirtein is being		n/a	\$ 4,500,000		\$	2				
Alternative 2:					n/a	\$	\$ -	\$	0				
Alternative 3 Name: Brief name of alternative (if applicable)					describe any incremental changes in operations	\$	\$	\$	0				
Program Cash Flows					Associated Ers (	list all applicable):		State of the state					
2012-2016	unan marana anti-		naucus Paris Inc. (S. S. S		Current ER		ESTANDAME		- PETERS (NAME OF SOME				
	Capital Cost	O&M Cost	Other Costs	Approved	3003		d alfalante de la compa						
	Cupital Cost	Same of the same o	J.II.C. 2.7313	- Apple 1-2	3302	The state of the s							
V. 18-85 V. 18-85 B. AAAA	ć 2000.000	4	Š	\$ 2,200,000	3297								
2012		The second secon	and the state of t	The state of the s	3297	DESCRIPTION OF THE PROPERTY OF	100000000000000000000000000000000000000	A: LANGS by Walter billion by					
2013			\$ -	\$ 4,550,000									
2014			\$ -	\$ 4,300,000									
2015			\$ -	\$ 4,500,000									
2016	\$ 4,500,000	\$	\$ -	\$ 4,500,000									
2017	\$ 4,500,000	\$ -	\$ -	\$ 4,500,000									
2018		\$ -	\$ -	\$ 4,500,000									
2019		Š -	Ś	\$ 4,500,000									
Total		Š -	\$ .		4								
				\$ 33,550,000	£1								

Mandate Excerpt (if applicable)	

Franchise agreements and typical state highway and R/R permits prescribe that the utility will relocate at their expense when in conflict with entity activities.

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		ıl Just		

Mandatory work to maintain compliance with existing franchise and operating permits with state highway districts and rail roads.

Austa:				Capital Investment	Business Case		Attachment NoNGD-5	5.2
Resources Requirements:	(request forms and	approvals attached)						
Internal Labor Availability: Contract Labor:	Low Probability YES	✓ Medium Probability ☐ NO	High Probablity	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	✓ NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general	The state of the s
Key Performance Indicator Expected Performance Improve KPI Measure:							sense of how likely staff will be provided (this does not require a firm committment).	
				Prepared	signature			
				Reviewed	signature	Direc	ctor/Manager	
				Other Party Reviev (if necessary		Manyun	SKUUNS— ctor/Manager	
		ER 30 Gas I	03 & 3302 · Replc Str	- Spending eet & Hwy				
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			2 - \$200k	- \$ZMM		< Once / year	restrictions or t	loard or man			i I< Once / year I	1 - < 1,500 Customer-hour	1	< Once / 10 years
			E	nvironment	tel	Ukelihood	S	afety and Hea	ith: Public		Likelihood	Safety and Hea	lth: Employee	Ukelihood
14	16	,							Risk up	on Comple	l	The Control of the Co		
	,-10		(0	Consequenti	al .	Ukelihood	Logal, Regi	datory, Exten	nai Business Af	fairs	Likelihood			Likelihood
			1 - < \$200	)k		< Once / 10 years		oact on med	la or regulato	ry	< Once / 10 years	1 - < 1,500 Customer-hour	ı	< Once / 50 years
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y Capital Planning Group sion		Review Cycles
		2012-2016
	Date	Template

Functional Group: Natural Gas Distribution

Business Case Name: Gas Telemetry Deployment

**ER No: ER Name:** 3117 Gas Telemetry

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$1,115<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	53	-	-	-	-	-	-	-	-	-	3	7	42
2015	400	32	26	27	30	34	33	38	35	35	36	30	43
2016	400	32	26	27	30	34	33	38	35	35	36	30	43

### **Business Case Description:**

This program will continue the installations of gas telemetry throughout Avista's natural gas service territory. Further enhancing the telemetry sites will increase the visibility of the gas system to help analyze operational concerns and cold weather performance. This program will also replace the current mechanical pressure recording charts with electronic pressure recording devices. These types of projects also enhance our disaster recovery efforts by updating existing telemetry and adding new sites. Gas Scheduling benefits from this data also by having independent measurement points to check the pipelines values and to receive more timely information from the field.

#### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Gas Telemetry									Color
Requested Amount	\$400,000			Assessments:	7000					
Duration/Timeframe		Year Program		Financial:	7.00%					
Dept, Area:	Gas Engineering			Strategic:	Reliability & Ca Business Risk			Z= 10		
Owner:	Mike Faulkenben	l <b>y</b>		Business Risk:				<= 10 lule and resources		
Sponsor: Category:	Don Kopczynski Program			Program Risk:	riigii certairity	arou	nu cost, scrieu	ule allu l'esoulces		TO REPORT METAL THE COMMAN
Mandate/Reg. Reference:	CFR 192.741 19	2 631		Assessment Score:	#NAME?		Annual Cost	: Summary - Increas	e/(Decrease)	
Recommend Program Desc		2.001		Maacaament acore.	· Francisco Segretario de Companyo de Comp		Capital Cost		Other Costs	Business Risk Score
		II	-6 4 4		Performance describe any	· · ·	400,000	O&M Cost	\$ -	Dusiliess Risk Score
This program will continue Further enhancing the teler					incremental	17	400,000			
operational concerns and c	- S.Y. Shake, and China. China China and Addison, which	viewski i dan torretter i de 1774 i 1876			changes that					
mechanical pressure record					this Program					
also enhance our Disaster F			April 1965 Top a Character State of		would benefit					
Scheduling benefits from th					The State of the S					
values and to receive more					operations					
					1			Summary - Increas		
Alternatives:	Day and the second				Performance		Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	and the state of t		All Children and the second second	ng telemetry system.	n/a	\$		\$ 50,000	\$	8
	Existing mechanica	al pressure recorder	s are expensive t	o fix and replace.						
Alexander de la Contraction de				is as measurable annufus.	No. I Comment of the	Ś	400,000	\$ -	\$ -	
Alternative 1: Brief name	Control of the Contro			In or upgrade existing part of the Gas PMC	describe any incremental	?	400,000		3	
of alternative (if	TO A SECTION OF THE PROPERTY OF THE PARTY OF	HERE THE WAY IN THE STORY THE STORY OF THE STORY	- And Andrews Commission of the Commission of the	ut as it does not align	changes in					
applicable)	well with the PMC		, to separate it of	ut as it does not aligh	operations					
Alternative 2: Brief name		tions that were cons	idered		describe any	\$		\$	\$ -	0
of alternative (if			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,		incremental					
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					operations					
Alternative 3 Name: Brief	Describe other opt	tions that were cons	idered		describe any	\$		\$ -	\$ -	0
name of alternative (if					incremental					
applicable)					changes in					EVENT FIRE N
					operations					
Program Cash Flows								34.7	6.655504076	
	Capital Cost	O&M Cost	Other Costs	Approved		Asso	clated Ers (list	all applicable):		
Previous		\$ -	\$ -	\$ -			3117			
2014		\$ -	\$ -	\$ 315,000						
2015			\$ -	\$ 400,000 \$ 400,000						Les engage (serie se Crisé
2016 2017		\$ - \$ -	\$ - \$ -	\$ 400,000 \$ 400,000		112.00	Magazia (Magazia)		<u> Keistraaleende van v</u>	Test verters der met tilbir
2017		\$ -	\$ -	\$ 400,000						
2019		\$ -	\$ -	\$ 400,000						
Total			\$ -	\$ 2,315,000						
Pro- all and an annual and a property of the annual all a		1-7 (-10)			<u>.</u>					
ER	2014	2015	2016	2017	2018		Total	Mandate Excerpt (	f applicable):	
3117	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$	2,000,000	CFR 192.741 - Ea	ach distribution sy	stem supplied by
0	\$ -	\$ 1	\$ -	\$	\$ -	\$		more than one so		
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0	\$ -	\$ -	\$ -	\$	\$ -	\$		the gas pressure		
0	\$ -	\$ -	\$ -	\$	\$	\$	-	CFR 192.631 - C	ontroi Room ivigm	
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0	\$ - \$ -	\$ -	3 -	\$ -	\$ - \$ -	\$	-	Additional Justifica		
0	\$ -	\$ -	\$ -	\$ -	\$ -	Š		Increased gas telen		aide in the
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0	\$ -	\$ -	\$ -	Š Ž	\$ -	Š		Remote Control Va	Santan Balin water in distribute	aconde on or
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$				ch center (Mission)
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$	-	is not available.		
0	\$ -	\$ -	\$ -	\$ -	\$	\$				
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Total	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$	2,000,000			
short mediang isong kannagan watan kendika and					1001300.500			marker (1900)		
Resources Requirements: (	request forms and o	approvals attached)								
Internal Labor Access Little	П	Пи	Winds and the	Enterprise Te-l-	□vee		[7] ue ···		propriate box. The i	
Internal Labor Availability: Contract Labor:	Low Probability     ✓ YES	☐ Medium Probability ☐ NO	☑ High Probablity	Enterprise Tech: Facilities:	YES - attach form		NO or Not Requ	landi noxes	should be checked to	refulciona to to alcohologica (alcohologica de la 🖡
CONTRACT CADOL:	E IES	Пио		Capital Tools:	YES - attach form		NO or Not Requ	1030410001	ners have been conta nse of how likely staff	
				Fleet:	YES - attach form		NO or Not Requ	1 . The section of	nse or now likely stan ot require a firm comi	
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### Capital Program Business Case

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_NGD-6.2

Key Performance Ind Expected Performance In				
(PI Measure:				
*******			Prepared	signature
			Reviewed	signature Director/Manager
				Director/Manager
				w signature Mauril Stwas
		Other	r Party Reviev (if necessary	w signature / / / / / / / / / / / / / / / / / / /
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		MCDA halbumakamentia marana sa		
	This space is to be used for photographs, charts, or other dat	ata that may b	e useful in e	evaulating the Program
	•			
o be completed t Rationale for dec	oy Capital Planning Group Islon			Review Cycles
				2012-2016
		t E	Date	Template
		t i i k		
		i si F		

Functional Group: Natural Gas Distribution

Business Case Name: Isolated Steel Replacement

ER No: ER Name:

3007 Isolated Steel Replacement

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$8,758<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	550	-	-	-	-	-	-	-	-	-	167	96	287
2015	3,450	245	210	227	253	301	294	313	312	315	322	256	401
2016	3,550	250	215	233	260	310	303	321	322	325	332	263	415

## **Business Case Description:**

This annual program will replace sections of cathodically isolated steel pipe. Isolated portions of pipe including risers, service pipe and main will be replaced as required to meet the requirements of 49 CFR 192.455 & 157 and in accordance with WUTC Docket PG-100049. This program will be conducted in ID and OR also to assure cathodically isolated steel is identified and replaced as needed.

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Isolated Steel Re	placement	A REPAIR									
Requested Amount	\$2,598,333			Asse	ssments:			100		18710		
Duration/Timeframe	On-Going			Finan	cial:	High - Exceeds						
Dept, Area:	Gas Operations			Strate	egic:	Reliability & Ca						
Owner:	Mike Faulkenberr	y	7245 F	Oper	ational:	Operations somewhat impacted by execution						
Sponsor:	Don Kopczynski			Busin	ess Risk:	ERM Reduction						
Category:	Mandatory			Progr	am Risk:	Moderate certa	ainty a	around cost, s	chedule and reso	ources		
Mandate/Reg. Reference:	WAC Docket PG-	100049, 49CFR	192.455&157	Asses	sment Score:	117		Annual Cost	Summary - Increa	se/(Decrease)		
Recommend Program Desc	ription:					Performance	(	Capital Cost	O&M Cost	Other Costs	Business Risk Score	
This annual program will re including risers, service pipe 192.455 & 157 and in accor OR also to assure cathodica	and main will be re dance with WAC Do	placed as required cket PG-100049. T	I to meet the requals This program will I	uireme	nts of 49 CFR	describe any incremental changes that this Program would benefit present operations	\$ 100	2,598,333			12	
									Summary - Increa			
Alternatives:						Performance	C	Capital Cost	O&M Cost	Other Costs	Business Risk Score	
Status Quo :	Avista would be ou 192.455 & 457.	t of compliance wi	th Docket PG-100	049 ar	id 49 CFR	n/a	\$		\$ 1200 mm 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	\$	12	
Alternative 1: Complete programmatic replacement of isolated steel pipe					Compared   Compared	h/a	\$	2,598,333	\$ STATE OF THE PROPERTY OF THE		9	
Alternative 2:		The state of the s				n/a	\$		Section 1997	\$	0	
Alternative 3 Name: Brief name of alternative (if applicable)	1		The second secon			describe any incremental changes in operations	\$		\$	\$	0	
Program Cash Flows						Associated Ers (	list al	ll applicable):	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	<b>1</b>		
2012-2016		Annual State and	a l'acceptant de la company de	e Calaba e canada		Current ER				200000000000000000000000000000000000000		
	Capital Cost	O&M Cost	Other Costs	Ap	proved Capital	3007			versioners.		Taratrana na kaominina	
						NAMES OF THE PARTY OF THE						
2012	A second contract to the second contract to t	\$ -	\$ -	\$	1,095,000							
2013		\$ -	\$ -	\$	2,248,333							
2014		\$ -	\$ -	\$	1,758,333							
2015		\$ -	\$ -	\$	3,450,000							
2016		\$	\$ -	\$	3,550,000							
2017	\$ 3,320,000	\$ -	\$ -	\$	3,320,000							
2018	\$ 2,750,000	\$ -	\$ -	\$	2,750,000							
2019	\$ 2,750,000	\$ -	\$ -	\$	2,750,000							
Total	\$ 23,088,103	\$ -	\$ -	\$	20,921,666				•			
Mandate Excerpt (if applic Docket PG-100049 (iii) - Agreement within five ve	"Agreement"(2) - A			Wash	ington State pip	peline system to	find	isolated steel	and complete all	remedial action se	et forth in this	
	"Agreement"(2) - A			Wash	ington State pip	peline system to	find	isolated steel	and complete all	remedial action se	et forth in thi	

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Re	sources Requireme	ents: (reque	est forms an	d approval	s attached)						10 100			
Co	ernal Labor Availab ntract Labor:	☑YE		☑ Mediu	m Probability	☑ High Probability	Enterpri Facilities Capital 1 Fleet:	s:	YES - attach form YES - attach form YES - attach form YES - attach form	\ \?	NO or Not Required NO or Not Required NO or Not Required NO or Not Required		Check the appropriate box. To internal and contract labor bo should be checked to indicate resource owners have been contacted and to provide a ge sense of how likely staff will b	xes if the neral
200100000	y Performance Indi ected Performance Im												provided (this does not requir	
Acres 1	ected Performance Im I Measure:	provements					ì					13	commitment).	
	B B	2000 Company	U	Department	Zantaniananan	AA I	1					_		
396			YTD				9	Prepared	signature					
	Departme	ùt	October	1	nsun to	Percent								
1	•		2013	Compl	ete 2013	Complete								
	Spokane Gas Con	struction	586		650	90%								
1	Roseburg		113	+	107	106%		Reviewed	signature					
-	Medford Construc	tion	5		222	2%						Director/N	/lanager	
EDVOMENO	Clarkston Electric		6		34	18%							-	
7	La Grande		25		28	89%				<b></b>	•	06.		
8	Sandpoint / Bonne	ers Ferry	4		7	57%	Other	Party Review	, signatura	VИ	MAMA.	SIC	Wrs	
9			38		31	123%		if necessary		100	000000	Director/N	Manager	
	Klamath Falls		24		43	56%	v	,,			4 -		<b>g</b> = .	
	Pullman Electric	& Gas	14		98	14%								
12	Total YTD 2013		815		1220	67%								
	Business Case	\$3,000,000 \$2,500,000 \$2,000,000 \$1,500,000 \$500,000 \$500,000	Status Quo Raw C	2 Risk on completion	3	deplacemer 4 5	6	7	8 9	10 atus Quo Ris		12	——2011 ——2012 ——B—2013 ——Budget	
		Reduction	Score	Raw Score	(Consequ Costs/Rev	Jential Uk	elihood		story, External Business /		Ukelihood		stomer Service and Reliability stomers * duration of an outage)	Likelihood
		1			1 - \$2MM - \$4MI	VI <once< td=""><td></td><td>restrictions or Bo</td><td>egulators to impose or ard or management to</td><td></td><td>Conce / 5 years 1</td><td>1 - &lt; 1,500 CL</td><td>istomer-hours</td><td>&lt; Once / 10 years</td></once<>		restrictions or Bo	egulators to impose or ard or management to		Conce / 5 years 1	1 - < 1,500 CL	istomer-hours	< Once / 10 years
				Į.	NEW AND STREET			leadership chang	je .					
					Environ	nentai juk	relihood	Sar	ety and Health: Public		Likelihood	edeletika edile	afety and Health: Employee	Likelihood
				ľ		5.00								100
	Isolated Steel								Rlsk i	spon Comple	etion			
	Replacement	3	12	9	Financial						I I		stomer Service and Reliability	
Ш	·				(Consequ Costs/Rev		relihood	Legal, Reguli	itory, External Business /	Affairs	Ukelihood		stomer Service and Reliability stomers * duration of an outage)	Likelihood
					Costs/Ret	/enues)		2 - Could result in	a moderate negative	Impact to				
					- \$2MM - \$4MI	VI Conce	/Syears		ndustrial relationship		< Once / 10 years I	1 - < 1,500 CL	stomer-hours	Conce / 50 years
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														1
72			nieszte.	<b>~</b> 224.44										
10	be completed b Rationale for deci		rianning v	aroup					T			Review	Cycles	
												2012-2		
									Date				Template	
12235										and the state of t	AND THE PROPERTY OF THE PARTY O			

Functional Group: Natural Gas Distribution

Business Case Name: Overbuilt Pipe Replacement

ER No: ER Name:

3006 Overbuilt Pipe Replacement Blanket

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$2,500<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	81	-	-	-	-	-	-	-	-	-	6	3	72
2015	900	83	73	72	73	75	73	84	72	73	75	74	73
2016	900	83	73	72	73	75	73	84	72	73	75	74	73

## **Business Case Description:**

This program will replace sections of existing natural gas distribution piping that has either experienced encroachment or have been built over/covered by customer-constructed improvements (i.e. decks, driveways, etc.). These types of situations restrict the Company's access to pipe. The project will address the replacement of sections of gas main and services that no longer can be operated safely. The replacements will be completed to enhance public safety. All types of overbuilds will be addressed with the primary focus of the project being overbuilds in manufactured/mobile home developments.

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Overbuilt Pipe Re	eplacement												
Requested Amount	\$900,000			200077000037774000000376	ssments:									
Duration/Timeframe	Section 2 to the Automotive Section 2 to the Section 2 to	Year Program		Financia		7.00%	manitu							
Dept, Area:	Gas Operations		- S.	Strategio Business		Reliability & Ca Business Risk		tion >5 and	c= 10					
Owner: Sponsor:	Mike Faulkenberry Don Kopczynski			Program					ule and resource:					
Category:	Mandatory			, rogian	i ilioni	riigit cortainty .		33311331133						
	49 CFR 192,361(f	12555		Assessm	ent Score;	#NAME?		Annual Cost	Summary - Increa	se/(Decrease)				
Recommend Program Desc						Performance	Car	pital Cost	O&M Cost	Other Costs	Business Risk Score			
This program will replace so		s piping that have	experienced encr	oachmen	nt or have	describe any	\$	900,000	\$ -	\$ -	4			
been overbuilt by customer						incremental								
Company's access to pipe.	A STATE OF THE PARTY OF THE PAR		Section of the Control of the Contro	are blocked in the second of the	Section Control of the Control of th	changes that								
longer can be operated safe						this Program								
overbuilds will be addresse	d with the primary fo	ocus of the project	being overbuilds	in		would benefit								
manufactured/mobile hom	e developments.					present								
						operations								
			<u> </u>	200000000000000000000000000000000000000	Control of			Annual Cost	Summary - Increa	se/(Decrease)				
Alternatives:						Performance	Ca	pltal Cost	O&M Cost	Other Costs	Business Risk Score			
Unfunded Program:	Avista will continue	operating with inc	reased risk due t	o overbui	ilds	n/a	\$		\$ -	- \$	12			
170, 170, 170, 170, 170, 170, 170, 170,										NELES ELEMENT				
Alternative 1: Brief name	Complete programm	natic replacement	of overbuilt pipe			describe any	\$	900,000	<b>\$</b>	\$	4			
of alternative (if						incremental								
applicable)						changes in								
				operations										
Alternative 2: Brief name	Describe other option	ons that were cons	idered			describe any	\$		\$ -	\$ -	0			
of alternative (if						incremental								
applicable)						changes in operations								
AV. AV. CALL	Barrie al		talesea d			CONT. 100. C 101. C 101	\$		\$ -	\$	0.000			
Alternative 3 Name: Brief	Describe other option	ons that were cons	iaerea			describe any incremental	3		7	13				
name of alternative (if	1400000 A					changes in								
applicable)						operations								
Program Cash Flows	E00-9-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-	250 mm (1)				орстанона				ALC: US OF THE PARTY OF THE PAR				
Trosium Cushi Inchis	Capital Cost	O&M Cost	Other Costs	A	pproved		Associ	ated Ers (list	all applicable):					
Previous		\$ -	\$ -	\$	500,000		V	3006			\$355 \$450 \$555 \$100 \$35			
2013		\$ -	\$ -	\$	470,000									
2014	\$ 900,000	\$ -	\$ -	\$	700,000									
2015	\$ 900,000	\$	\$ -	\$	900,000	]								
2016		\$ -	\$ -	\$	900,000									
2017		\$ -	\$ -	\$	900,000									
2018		\$ -	\$ -	\$	900,000									
2019		\$ =	\$ -	\$	900,000	-								
Total	\$ 5,400,000		<b>5</b>	19	5,670,000	J								
ER	2013	2014	2015		2016	2017		Total	Mandate Excerpt	(if anniirable):				
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Total	\$ 900,000	\$ 900,000	\$ 900,000	\$	900,000	\$ 900,000	\$	4,500,000						
							LAWAR							
Resources Requirements: (	request forms and ap	oprovals attached)												
	_	_	_				_		Check the	appropriate box. The i	nternal and contract			
Internal Labor Availability: Low Probability Medium Probability High Probability Enterprise Tech:						YES - attach form		NO or Not Requ	<sup>ired</sup> labor boxe	s should be checked to	Indicate if the			
Contract Labor: ☑ YES ☐ NO Facilities:					YES - attach form		NO or Not Requ	10000.000	wners have been conta					
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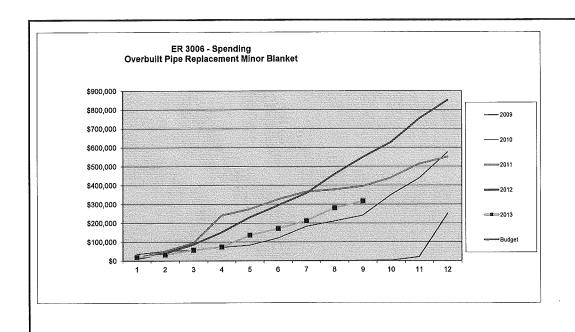


Expected Performance In	nprovements		
KPI Measure:			
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Director/Manager

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		2012-2016
	Date	Template

Functional Group: Natural Gas Distribution

**Business Case Name:** Regulator Station Reliability Replacement

ER No: ER Name:

3002 Regulator Reliable - Blanket

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$2,325<sup>1</sup>

## Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	59	-	-	-	-	-	-	-	-	-	7	5	47
2015	800	45	39	51	58	64	88	94	81	82	70	64	63
2016	800	45	39	51	58	64	88	94	81	82	70	64	63

## **Business Case Description:**

This annual project upgraded or replaced various regulator stations within the natural gas distribution system, improving station reliability and reducing operation and maintenance costs. Existing stations required upgrades due to many factors, such as replacement of obsolete equipment and improvement in regulation technology.

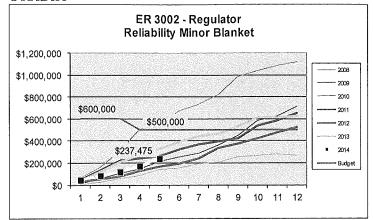
### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



\$1,200,000 Page 1 of 2 \$1,000,000

Investment Name:	Regulator Statio	n Reliability Rep	lacement	]								
Requested Amount	\$800,000			Assessments:								
Duration/Timeframe	On-Going	Year Program		Financial:	7.00%							
Dept, Area:	Gas Operations			Strategic:	Life-cycle asse	t management						
Owner:	Typically Director			Business Risk:	Business Risk	Reduction >0 and	<= 5					
Sponsor:	Typically Executiv	re Officer		Program Risk:	High certainty	around cost, sched	lule and resources	<b>.</b>				
Category:	Program											
Mandate/Reg. Reference:	PHMSA CFR 192	.739		Assessment Scor	e: 75	Annual Cos	Summary - Increas	se/(Decrease)				
<b>Recommend Program Desc</b>	ription:				Performance	Capital Cost	O&M Cost	Other Costs	<b>Business Risk Score</b>			
This annual program will re Avista standards. This prog performance, safety, repla and ensure the reliable ope	gram will address en cement of inadequa	hancements that w te or antiquated eq	ill improve syster ulpment that is n	m operating	incremental changes that this Program would benefit	\$ 600,000	\$ -	\$	1			
					present operations			## N				
The control of the second seco			desperance concentration materials				t Summary - Increas		Design Diele Cons			
Alternatives:					Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score			
Unfunded Program:	Maintenance may r equipment. This co rates of equipment	uld result in fines fr					<b>\$</b>	\$	4			
Alternative 1: Complete as described above.	Stations that require basis to ensure con may pose a greater	tinued reliable ope	rations. Stations	that are not upgra		\$ 600,000		\$ % 11 4 4 4 5 1 4 4 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	1			
Alternative 2: Brief name of alternative (if applicable)	Describe other opti	ions that were cons	idered		describe any incremental changes in operations	\$ -	\$	\$ -	0			
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other opti	ions that were cons	idered		describe any incremental changes in operations	\$ -	\$ -	\$ -	0			
Program Cash Flows					ing the factor is							
	Capital Cost	O&M Cost	Other Costs	Approved		Associated Ers (list						
Previous	\$ -	\$ -	\$ -	\$		3002						
2014	\$ 600,000	\$ -	\$ -	\$ 725	,000							
2015	\$ 800,000	\$ -	\$ -	\$ 800	,000							
2016	\$ 800,000	\$ -	\$ -	\$ 800	,000							
2017	\$ 800,000	\$ -	\$ -	\$ 800	,000							
2018	\$ 800,000	\$ -	\$ -	\$ 800	,000							
2019	\$ 800,000	\$ -	\$ -	\$ 800	,000							
2020+	\$ 800,000	\$ -	\$ -	\$								
Total	\$ 5,400,000	\$	\$ -	\$ 4,725	,000							
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ER	2014	2015	2016	2017	2019	Total	Mandate Excerpt					
3002	\$ 800,000		\$ 800,000		,000 \$ 800,000	\$ 4,000,000		Pressure limiting a				
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Total	\$ 800,000	\$ 800,000	\$ 800,000	<del> </del>	,000 \$ 800,000	\$ 4,000,000						
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		2 - Regulator / Minor Blank	et									



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Other Party Review signature (if necessary) MMM Studios Director/Manager

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	ERM Risk	Status Quo Raw	Risk on			Status Quo Ris	<b>k</b>	<u> Askiralah k</u>	
Business Case			Completion Raw Score	Financial impact (Consequential Costs/Revenues)	Likelihood	tegal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
				1 - < \$200k		2 - Could result in a moderate negative impact to local, online, or industrial relationships and /or regional media coverage	< Once / 10 years	1 - < 1,500 Customer-hours	< Once / 10 year
				Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood
			1 - Isolated spill with 0 to low level PCBs, no migration, air emission minor exceedence, standard clean-up	< Once / 10 years	1 - Potential for injury Public health infrastructure impact up to 8 hours	< Once / 10 years	1 - Potential for injury	< Once / 10 year	
Regulator Station Reliability	2	4	2			Risk upon Comple	tion		
Replacement				Financial Impact (Consequential Costs/Revenues)	Likelihood	tegal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
				1 - < \$200k		1 - No likely impact on media or regulatory relationship.	< Once / 50 years	1 + < 1,500 Customer-hours	< Once / 50 year
	1			Environmental	Likelihood	Safety and Health: Public	Likellhood	Safety and Health: Employee	Likelihood
				1 - Isolated spill with 0 to low level PCBs, no migration, air emission minor exceedence, standard clean-up	< Once / 50 years	1 - Potential for injury Public health infrastructure impact up to 8 hours	< Once / 50 years	1 - Potential for Injury	< Once / 50 year

ne completed by Capital Planning Group lationale for decision		Review Cycles
		2012-2016
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Functional Group: Natural Gas Distribution

**Business Case Name:** Replace Deteriorating Steel Gas Systems

ER No: ER Name:

3001 Replace Deteriorating Gas System

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$3,280<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

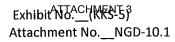
Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	107	-	-	-	-	-	-	-	-	-	0	-	107
2015	1,000	40	40	60	70	80	120	120	110	110	90	80	80
2016	1,000	40	40	60	70	80	120	120	110	110	90	80	80

# **Business Case Description:**

This annual program will replace sections of existing steel gas piping that are suspect for failure or are showing signs of deterioration within the gas system. This program will address the replacement of sections of gas main with corrosion related issues that no longer operate reliably and/or safely. Sections of the gas system require replacement due to many factors including material failures, environmental impact, increased leak frequency, or coating problems. This program will identify and replace sections of steel pipe to improve public safety and system reliability. The projects primary focus is to address corrosion related pipe issues.

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.





Investment Name: Requested Amount Duration/Timeframe Dept, Area: Owner: Sponsor: Category:	Repl. Deteriorati \$800,000 On-Going Gas Operations Mike Faulkenberr Don Kopczynski Program		Stems	Assessments: Financial: Strategic: Operational: Business Risk: Program Risk: Assessment Score:	ERM Reductio	proved beyond cur n >5 and <= 10 ainty around cost, s		in vista particular come y a construction of the	
Mandate/Reg. Reference:				Assessment score.	and a supplementary of the sup				Business Risk Score
Recommend Program Describs annual program will reshowing signs of deteriorations of gas main with coof the gas system require reimpact, increased leak frequisteel pipe to improve publicipipe Issues.	place sections of exi- on within the gas sy prosion related issu- placement due to m uency, or coating pro-	stem. This prograi es that no longer o nany factors includ oblems. This progr	m will address the perate reliably an ing material failur am will identify a	describe any incremental changes that this Program would benefit present operations	\$ 800,000	O&M Cost \$ -	Other Costs  \$ -	a susiness has store	
					Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Alternatives: Status Quo:	A number of location Roseburg, and La G related to leaks.		And the Control of th	Klamath Falls, higher operating risk	n/a	\$	Sale of the control o	\$	6
Alternative 1: Pipe Installation	Strategically replace	e sections of at-ris	k steel piping.		Reduced risk of system leaks	\$ 800,000		\$	1
Alternative 2:				And the Control of th	describe any incremental changes in operations	S	Samuel Commence of the Commenc		
Alternative 3 Name: Briefname of alternative (if applicable)					describe any incremental changes in operations	\$	\$	\$	0
Program Cash Flows						list all applicable):		1 000 AC 100 E	
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	Capital Cost	O&M Cost	Other Costs	Approved	3001				
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2013		\$ -	Š -	\$ 1,280,000					
2015	***************************************	\$ -	\$ -	\$ 1,000,000					
2016	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000	B				
2017	\$ 1,000,000	\$		\$ 1,000,000					
2018		\$ -	\$ -	\$ 1,000,000					
2019 Total		\$ -	\$ - \$ -	\$ 1,000,000					
Mandate Excerpt (If applica									

This program has been executed historically using a qualitative assessment method at the district level.



Internal Labor Availability: Contract Labor:	<b></b> YES	☐ Medium Probability ☑ NO	☑ High Probability	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	☑ NO or Not Required ☑ NO or Not Required ☑ NO or Not Required ☑ NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be
Key Performance Indicator Expected Performance Improves	ements			Mission			provided (this does not require a firm commitment).
KPI Measure:	Leak Rate/ 100	00 miles of steel pipe					
Ext	ternal Corre	osion Leaks		Prepared	signature		
10 9 8 7 6 5 4 3		mll	orrosion Leaks/1000 lles of steel plpe sse Line (Syr Avg)	Reviewed  Other Party Revie	signature	Mazzi s	Director/Manager
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\$200,000 \$0						Budget	
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Steel Gas Systems	- Ebman	Financial impact (Consequential Like Costs/Revenues)	kelihood Legal, Regula	latory, External Business Affairs	Ukelihood Custon	omer Service and Reliability mers * duration of an outage)	likelihood.
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					Date		Template

Functional Group: Natural Gas Distribution

Business Case Name: Gas Planned Meter Change-out ("PMC") Program - Capital Replacements

ER No: ER Name:

3055 Gas Meter Replacement Non-Revenue

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$3,266<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	121	-	-	-	-	-	-	-	-	-	18	18	85
2015	1,030	80	64	70	77	85	97	113	92	93	89	82	86
2016	1,061	81	66	72	79	87	100	117	96	97	92	85	89

# **Business Case Description:**

This annual program will provide for replacement of gas meters and associated measurement equipment that are completed in association with the Gas Planned Meter Change-out (PMC) program. Avista is required by commission rules and an approved Tariff in WA, ID, and OR to test meters for accuracy and ensure proper metering performance. Execution of this program on an annual basis will ensure the continuation of reliable gas measurement. This program will include the labor and minor materials associated with the PMC program. Major materials (meters, regulators, and ERTs) will be charged to the appropriate growth ERs.

#### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name: Requested Amount Duration/Timeframe	Gas PMC Progra \$1,000,000 On-Going	am Year Program		Assessments: Financial:	High - Exceed	s 12% CIRR			
Dept, Area:	Gas Engineering			Strategic:	Reliability & Co				
Owner:	Mike Faulkenben			Business Risk:		Reduction >10 and	d <= 15		HA 080 / 100 / 100 / 100 / 100 / 100 / 100 / 100 / 100 / 100 / 100 / 100 / 100 / 100 / 100 / 100 / 100 / 100 /
Sponsor:	Don Kopczynski			Program Risk:		ainty around cost, s		urces	
Category:	Mandatory				,	······································			
Mandate/Reg. Reference:	WAC 480-90-348	3, IDAPA 31.31.01	.151-200, OAR	Assessment Score:	185	Annual Cos	t Summary - Increas	se/(Decrease)	
Recommend Program Desc	ription:		10 April 10		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This annual program will pr that are completed in assoc required by commission rul ensure proper metering per continuation of reliable gas associated with the PMC pr appropriate growth ERs.	ciation with the Gas es and an approved rformance. Execution measurement. Thi	Planned Meter Cha I Tariff in WA, ID, an on of this program s program will inclu	inge out (PMC) p id OR to test met on an annual bas de the labor and	rogram. Avista is ers for accuracy and is will ensure the minor materials		\$ 1,000,000	\$ -	\$	
Alternatives:					Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo :	Avista would be ou WA, ID, and OR rel completed.	and a first the second state of the second s		ative requirements in face fines if not	n/a	\$ -	\$ 10 10 10 10 10 10 10 10 10 10 10 10 10	\$	
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Alternative 2:					Sec.		\$	\$	
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Program Cash Flows		MESS AND SOME							
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2015	\$ 1,030,000		\$ -	\$ 1,030,000					
2016	\$ 1,060,900	\$ -	\$ .	\$ 1,060,900					
2017	\$ 1,092,727	\$ -	\$ -	\$ 1,092,727					
2018	\$ 1,125,509	\$ -	\$ -	\$ 1,125,509 \$ 1,159,274					
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Resources Requirements: //	request forms and a	pprovals attached)			5			SECULIAR SECU	
Internal Labor Availability: Contract Labor:	Low Probability YES	☐ Medium Probability ☐ NO	High Probability	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	I NO or Not Req	ulred labor boxes ulred resource ov ulred a general se	ppropriate box. The li should be checked to vners have been conta ense of how likely staff ot require a firm comi	Indicate if the acted and to provide f will be provided

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_NGD-12.2

Prepared signature  Reviewed signature  Other Party Review signature  This space is to be used for photographs, charts, or other data that may be useful in evaulating the Program  E EXCERPT: OAR 860-023-0018(3) - "Each energy utility shall adopt schedules for periodic tests and repairs of meters. The length of time meters shall be allowed to office receiving periodic tests and repairs is to be determined from periodic analysis of the accuracy of meters tested. The schedules adopted shall be subject to the ones approval!  AL COMMENTS: Program required to reliably serve customers, ensure accurate measurement, and properly bill gas revenue.  Residential gas the interval gas the service of the Business Case for RR9005 will be adjusted to show the change starting in 2014.  FR3117 had been combined with this program, as of 1-1-14, it will be on its own Business Case.  Scorring:  Underset Project/P	Reviewed signature    Reviewed signature	mance Indica										
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mpleted by Capital Planning Group		Scoring:  Business Case  Gas PMC Program_Capital Replacements	Business Reduction  12	Unfunde d Rayy Scare	Revised Risk Revised Risk Revised Risk	Business Case for Egram, as of 1-1-14,  Financial impact [Consequential Costs/Rievenues] 2-\$2008-\$2MM  Environmental  Financial impact [Consequential Costs/Rievenues] 1-<\$2008.	Unfund Likelihood Likelihood Likelihood Concetgess Likelihood	e adjusted to show its own Business Ca  ed Project/Program Riss  Legal, Regulators, E  Area of the state of t	the change starts.  It is for funding if a pro- sternal Business Its  oin pose onerous agement formate alth: Public  motor up to 8 hours eviced Filsh if fundee: sertenal Business Its  or regulatory alth: Public	Likelihood  Likelihood  Likelihood  Likelihood  Likelihood  Likelihood  Conce / 10 years  drompleted  Likelihood  Likelihood  Likelihood  Likelihood	Customer Service and Reliability (8 oustomers duration of an outage)  1-c1800 Customer-hous  Safety and Health: Employee  1-Potential for hipsy  Customer Service and Reliability (8 oustomers duration of an outage)  1-c 1800 Customer-hous  Safety and Health: Employee  1-Potential for hipsy	c Once / 10 years Likelihood c Once / 50 years Likelihood c Once / 50 years Likelihood
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AVISTA

Functional Group: Natural Gas Distribution

**Business Case Name:** Goldendale High Pressure Main Replacement

**ER No: ER Name:** 3306 Goldendale HP

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$3,500<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	3,505	-	-	-	-	-	-	-	-	-	2,955	275	275
2016	-	-	-	-	-	-	-	-	-	-	-	-	-

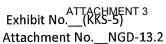
# **Business Case Description:**

The coating on the existing high pressure main that feeds the town of Goldendale is disbanded and is showing signs of early stages of corrosion. This line has been exposed in several different locations, and all sections have similar characteristics. It is proposed to replace nearly 3 miles of 4" HP feeding the town of Goldendale with new 4" steel main. Federal code mandates that the coating on steel mains must be properly adhered to the main to protect the pipe from corrosion. This gas system was purchased from Columbia Gas Co and the construction records are not complete, an added benefit to replacement would be the opportunity to have complete construction and pressure test documentation.

#### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Investment Name:	Goldendale HP						NETEROPESKOM KOM			A-12-0-0-2-0-0-0-0-0-0-0-0-0-0-0-0-0-0-0-
Requested Amount	\$0	Year Project		Assessments: Financial:	7.00%					
Duration/Timeframe Dept, Area:	Gas Engineering			Strategic:	Reliability & C	apacity				
Owner:	Mike Faulkenber			Business Risk:	Business Risk		>10 an	d <= 15		
Sponsor:	Don Kopczynski			Project Risk:				dule and resource:	<b>S</b>	
Category:	Project									
Mandate/Reg. Reference:	CFR 192,459 19	2.461		Assessment Score:	#NAME?	it comments and a second statement	openioste i rectificatio	t Summary - Increas		
Recommend Project Descr					Performance	Capital		O&M Cost	Other Costs	Business Risk Score
The coating on the existing of early stages of corrosion characteristics. It is propose 4" steel main. Federal code main to protect the pipe froconstruction records are no complete construction and	. This line has been ed to replace nearly mandates that the om corrosion. This g ot complete, an add	exposed in several of 3 miles of 4" HP fee coating on steel mai as system was purch ed benefit to replace	ifferent location ding the town of ns must be prope nased from Colur	s, all have similar Goldendale with new erly adhered to the nbia Gas Co and the			500,000			
								t Summary - Increas		n de la company
Alternatives:	haa	6	6 AL - 14//	TC	Performance	Capital	Cost	O&M Cost \$ 100,000	Other Costs	Business Risk Score
Unfunded Project:	if unfunded, we co	ould face potential fl	nes from the WU	Commence of the commence of th		\$	Ī	\$ 100,000	•	The state of the s
Relocate Meter Stn	Replace 3 miles of	4" HP gas main as d	escribed above.			\$ 3,5	500,000	\$	\$	
Rewrap pipe	Rewrap the 3 mile	s of HP gas main			high O&M expense	\$		\$ 2,000,000		O
Alternative 3 Name: Brief name of alternative (If applicable)	Describe other op	tions that were cons	ldered		describe any incremental changes in operations	\$	- 1	<b>5</b> , 10, 10, 10, 10, 10, 10, 10, 10, 10, 10	0	
Program Cash Flows										
1 TOGSTATIT COST TTOWN	Capital Cost	O&M Cost	Other Costs	Approved	1	Associated	Ers (list	all applicable):	1 1000	
Previous		\$ -	\$ -	\$ -		3xxx				
2013	\$ -	\$ -	\$ -	\$ -	\$					
2014		\$ -	\$ -	\$ -					200	
2015			\$ .	\$ 3,500,000		1645 1645				
2016		\$ -	\$ -	\$ -						
2017+ Total		\$ - \$ -	\$ - \$	\$						
( A. S. C.			hy Zahenyo hayanii jayo siidii ii katin ha		121 1					
ER	2013	2014	2015	2016	2017+	Tota	al	Mandate Excerpt	(if applicable):	
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Total	\$	\$	\$ 3,500,000	\$	\$ -		500,000			
Milestones (high level	targets)									
January-00	open		January-00	open		Januar	y-00	open	100	in a state of the
January-00	open		January-00	open		Januar		open		hould be general. Igement on project
January-00	open		January-00	open		Januar		open		that progress can
January-00	open		January-00	open		Januar		open		
January-00 January-00	open open		January-00 January-00	open open		Januar Januar		open open		
Resources Requirements: Internal Labor Availability:		pprovals attached)  Medium Probability	☑ High Probability	Enterprise Tech:	YES - attach form	NO or Not Rec	nulrad	Capital Tools:	YES - attach form	NO or Not Required
Contract Labor:	YES	No				NO or Not Rec		. =		NO or Not Required





Key Performance Indicator(s) Expected Performance Improvements KPI Measure:	·	
	Prepared	signature
	Reviewed	signature  Director/Manager
		MARINASPANA
	Other Party Review (if necessary)	
	PARIS NAMED I	
June 25, 2013		A STATE OF THE STA
Jody Morehouse:		
SUBJECT: Goldendale High Pressure Coating Adhesion	Ess.	
•	949	
As per federal code 49, part 192.461 a coating system must be installed with sufficient adhesion to the metal surface to effectively resistunder film migration of moisture. The coating system on the Goldendale HP between the gate station and the regulation station in town appears to consist of a thin plastic. The adhesion of the coating is nonexistent; migration of moisture under the coating is present. Kenny Gibson recently installed test leads at several locations, Ken was asked to visually inspectithe pipe and provide photographic evidence of what he observed. The photos are included with the recommendation.		
Cathodic Protection levels on the piping are at adequate levels. However cathodic protection currents work much like a flash light, the current only gathers on those sections of pipe that are exposed to the soil. Therefore a coating that is loosely adhered to the metal is effectively shielded the pipe from the cathodic protection current and the environment. Therefore a separate corrosion cell can develop between the coating and the metal.		
RECOMMENDATION:		
<ul> <li>According to Kenny Gibson the pipe seemed to be in pretty good shape other than the whitish material under the coating adhered to the metal. This is a corrosion productleft behind from the corrosion cell between cathodic and anodic areas on the metals surface. The existing pipe would need to be cleaned to an SSPC-SP 5/NACE No. 1 (near white metal) and coated with an epoxy type coating system.</li> <li>Another option would be to remove the HP piping and install a new pipe with and FBE (fusion</li> </ul>		
bonded epoxy) coating.		
Gary Douglas		A STATE OF THE STA
Cathodic Protection Specialist	-	
To be completed by Capital Planning Group  Rationale for decision		Review Cycles
		2012-2016
	Date	Template

Functional Group: Natural Gas Distribution

**Business Case Name:** Encoder Receiver Transmitter ("ERT") Replacement Program

ER No: ER Name:

3054 Gas ERT Replacement Program

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$846<sup>1</sup>

# Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	-	-	-	-	-	-		-	-	-	-	-	-
2015	402	31	25	27	30	33	37	43	36	36	35	32	36
2016	444	33	27	30	33	37	41	47	41	41	39	35	41

### **Business Case Description:**

This program covers labor required for the consistent replacement of 19,500 gas ERTs annually for a 12-year cycle, beginning in the year 2015. Analyses has identified that a levelized replacement strategy will minimize the effect of unit failures as well as introduce new, levelized populations of ERTs into the system for future predictive maintenance. Large populations of ERTs are predicted to fail in quantities of over 20,000 units per year at the peak, causing an operations burden of personnel and equipment as well as an unreasonable number of estimated bills (currently Avista experiences just a couple hundred failures annually due to small ERT populations). The cost of the ERT will go against ER1053, not this business case.

#### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name: Requested Amount Duration/Timeframe Dept, Area: Owner: Sponsor: Category: Mandate/Reg. Reference: Recommend Program Desc This program covers the co beginning in the year 2015.	Gas Engineering Mike Faulkenbern Don Kopczynski Program n/a rription: nsistent replacemen	Year Program  Y t of 19,500 gas ERT			7.00% Life-cycle asse Business Risk High certainty:  #NAME?  Performance As ERTs are replaced in a	Reduction >5 a around cost, so	hedule ar Cost Sumn	id resources hary - Increas SEM Cost 8,000	e/(Decrease) Other Costs \$ -	Business Risk Score
effect of unit failures as we predictive maintenance. La per year at the peak, causin unreasonable number of es annually due to small ERT p	orge populations of E og an operations bur stimated bills (curren	RTs are predicted t den of personnel ar itly Avista experien	o fail in quantitie nd equipment as ces just a couple	s of over 20,000 units well as an hundred failures	planned way, the impact to operations resources and customer billing	Annual	Cost Summ	nary - Increas	e/(Decrease)	
Alternatives: Unfunded Program:	level. At its peak, n requiring a mainter	nore than 20,000 El nance call and estim	RTs are predicted ated bill for cust	se to an unsustainable to fail annually, each omers. Avista ie to small populations	Performance n/a	Capital Cos   \$ 1,058,6	C	9&M Cost 117,000	Other Costs	Business Risk Score
Alternative 1: Brief name of alternative (if applicable)	age, so there will be	ments beyond this e a lag & re-set of t	12 year cycle the his program at th	until all ERTs are n occur at 14 years of at time, however, new ore than 19,500 units	As ERTs are refreshed, trouble calls for field failures	\$ 901,	390 \$	8,000	\$	The second secon
Alternative 2: Brief name of alternative (if applicable)	Prior to the recent years of age was th doing a 'birthday' re	analysis, the belief e best advantage. eplacement at 10 ye	was that replacin This modern stud ears will pull unit	g units older than 10	Aggressive, early replacement is not desired	\$ 1,950,	000 \$	690	\$	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other opti	ons that were cons	idered		describe any incremental changes in operations	The state of the s	<b>-</b> \$		\$	0
Program Cash Flows	Capital Cost	O&M Cost	Other Costs	Approved		Associated Ers	list all an	alicable):	757 10	The state of the s
Previous		\$ -	\$ -	\$ -			054		200000000000000000000000000000000000000	
2014		\$	\$ - \$ -	\$ -						
2015 2016		\$ -	\$ - \$ -	\$ 401,890 \$ 443,960		10 77				
2017	\$ 994,140	\$ -	\$	\$ 494,140		Lancar Marian Ma				
2018 2019 Total	\$ 1,096,536	\$ -	\$ - \$ -	\$ 544,320 \$ 596,536 \$ 2,480,846						
	2014	2015	2016	2017	2018	Total	Nan	tata Evcarnt (	if applicable):	
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Internal Labor Availability: Contract Labor:	Low Probability YES	☐ Medium Probability ☐ NO	High Probability	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	NO or No	t Required t Required	labor boxes resource ow a general se	should be checked to	acted and to provide If will be provided

AVISTA

Exhibit No.\_\_(KKS-5)
Attachment No.\_\_NGD-15.2

	nance Indicator(s)  ormance Improvements		
KPI Measur			
		Prepared	signature
		•	
		Reviewed	signature  Director/Manager
		Other Party Revie	w signature MAMAR SKUMMS
		(if necessary	
		A STATE OF THE STA	
	This space is to be used for photographs, charts, o	r other data that may be useful in e	evaulating the Program
	200 Thursday	2004	d 2005, which represent over 100,000 units alone. These ERTs run on batteries
that will ev	entually discharge and need replacement, and are predicted to happen in	n large quantities over short periods o	f time, peaking at over 20,000 field fallures a year unless organized replacements
begin. A legal The levelize	velized replacement rate of approximately 19,500 units annually, starting ed replacement process also introduces smaller populations of ERTs back	; in 2015, balances the maximum life of into the system so the next time batt	of the battery while reducing the effects of field failures to a manageable level. eries need replacing there will only be about 19,500 unit families in place for any
	e year. (Refer to Asset Management Report Titled "ERT Replacement St		
and the second		erite i erre Austrias i incresi in administrati in esti i mateixada (en il esti. 190	
5000	Annual Failures Beyond 19,417 Planned Replacements	Fa	ilures in a Run-to-Failure Model
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\$2,500,000	ERT Replacement Program		
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\$1,500,000	comma*Total	The state of the s	
	amo (002)- Albertal (102)- Alb	,4co \$1.159,900	
	350[345 397]900		
\$100,000			Review Cycles 2012-2016
	512472 530260 533/6		
1 50 1		7 2020 2011 Date	Template

**Functional Group:** Gas Underground Storage **Business Case Name:** Jackson Prairie Storage

ER No: ER Name:

7201 Jackson Prairie Storage

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$3,070<sup>1</sup>

# Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	205	-	-	-	-	-	-	-	-	-	204	2	-
2015	1,356	53	27	115	37	112	378	324	231	3	37	37	3
2016	1,175	98	98	98	98	98	98	98	98	98	98	98	98

# **Business Case Description:**

Jackson Prairie (JP) Underground Storage Facility stores natural gas. Avista owns this facility as a 1/3 partner with Puget Sound Energy and Williams' Northwest Pipeline. Puget Sound Energy is the managing partner for the facility, which is located in Chehalis, WA. The requested capital represents Avista's 1/3 share of the capital needed to maintain the existing facility and maintain equal ownership status. The purpose of the facility is to allow Avista to serve customers on a peak day, and to purchase natural gas at potentially lower costs during off-peak periods and store that gas for use during high cost periods.

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Jackson Prairie	Storage						A COMPANY OF THE PROPERTY OF T	
Requested Amount Duration/Timeframe	\$1,000,000 20+	Year Program		Assessments:  Financial:	High - Exceed	ls 12% CIRR			
Dept, Area:	Natural Gas Rese			Strategic:	Reliability & C				
Owner:	Steve Harper			Operational:		quire execution to	perform at currei	nt levels	
Sponsor:	Jason Thackston			Business Risk:	ERM Reduction	And worseld sufficiently an information about it and			
Category:	Program			Program Risk:		around cost, sche	dule and resource t Summary - Incre		
Mandate/Reg. Reference: Recommend Program Desi	n/a			Assessment Score:	116			and the second s	Business Risk Score
Jackson Prairie (JP) Underg		av etoroe natural da	e Avieta owne th	le facility as a 1/2	Performance describe any	\$ 1,000,000	S Cost	Other Costs \$ -	Business Risk Score
partner with Puget Sound E	nergy and Williams'	Northwest Pipelin	e. Puget Sound E	nergy is the managing	incremental	3 1,000,000	1		4
partner for the facility whic share of the capital needed purpose of the facility is to	to maintain the exis	sting facility and m customers on a p	aintain equal owr eak day, and to p	ership status. The urchase natural gas at	changes that this Program would benefit				
potentially lower costs duri	ng off-peak periods	and store that gas	for use during hig	n cost periods.	present operations	Consolinative and California and California			
Alternatives:					Performance	Annual Cos Capital Cost	t Summary - Incre O&M Cost	oase/(Decrease) Other Costs	Business Risk Score
Status Quo:	Avista to fund its 1 percentage. Voting	/3 capital obligatio g rights would be d	n would dilute Av eminished and th	erefore decisions made	n/a		\$ -	\$	20
Alternative 1: Brief name	A TO A CONTRACTOR OF A CONTRAC		A	Nista or its customers.  n. Estimated to be	describe any	\$ 1,000,000	\$ -	\$ -	2 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -
of alternative (if applicable)	approximately \$1,0 \$539,000 in 2014.	00,000 per year lo Capital needs vary	oking forward. C year-to-year, but	ost is estimated to be relate to well,	incremental changes in	7			
Altanuativa 2: Bulatuania				nd control facilities.	operations	s -	\$ -	\$ -	2
Alternative 2: Brief name of alternative (If applicable)	<ul> <li>Bulletin Technology State Landon Francis</li> </ul>	rights would be de	minished and the	s 1/3 capital erefore decisions made Avista or its customers.	describe any incremental changes in operations				Z
Alternative 3 Name: Brief	Describe other opt	ons that were con	sidered		describe any	Ś -	\$ -	\$	0
name of alternative (if applicable)					incremental changes in operations				
	RESERVED A SERVENA ASS			<u> </u>	Operations		PERSONAL SERVICE		
Program Cash Flows 2012-2016	5 14 34 5		14 47 61		Associated Ers ER 7201	(list all applicable):			Para lateral de la companya de la co
2012-2010	Capital Cost	O&M Cost	Other Costs	Approved	LICIZUI				
Previous		\$ -	\$ -	\$ -	Baran				
2012	\$ 630,000	\$ -	\$ -	\$ 630,000					
2013		\$ -	\$ -	\$ 550,000	-				
2014		\$ -	\$ - \$ -	\$ 539,000					
2015 2016		\$ - \$ -	\$ -	\$ 1,356,300 \$ 1,175,000					
2017		Š -	Š -	\$ 1,117,000					
2018	\$ 1,000,000	\$ -	\$ -	\$ 1,210,000	-				
2019		\$	\$ -	\$ 1,085,000					
	\$1,000,000/year	\$ -	\$ -	\$				•	
Total	\$ 5,719,000	\$ -	\$ <u>-</u>	\$ 7,662,300					
Mandate Excerpt (if applic	ahle):					A. 100 Apr. 2			Since Page 1
provide brief citation of the		n and a reference	number if poss	ible					
Additional Justifications:						M. C. C.			
While not a mandated proj	ect by definition, thi	s Program is not o	e that can easily	be terminated. The use	e of JP is docume	nted and acknowled	ged as part of Avis	ta's Integrated Resour	ce Plan.
Resources Requirements: (	request forms and a	pprovals attached,							
Internal Labor Availability: Contract Labor:	✓ Low Probability ☐ YES	☐ Medium Probability ☑ NO	High Probablity	Enterprise Tech: Facilities: Capital Tools:	YES - attach form YES - attach form YES - attach form	NO or Not Req	uired inte	ck the appropriate box. rnal and contract labor b Ild be checked to indicat	ooxes
NATIONAL PROPERTY AND ADDRESS OF THE PROPERTY ADDRESS OF THE PROPERTY AND ADDRESS OF THE PROPERTY ADDR		OHEN VOLUM AND A SERVICE OF THE SERV	The state of the s	Fleet:	YES - attach form	✓ NO or Not Req	cont	urce owners have been acted and to provide a g	
Key Performance Indicator Expected Performance Improver								e of how likely staff will rided (this does not requ	
KPI Measure:	Avoided gas costs t	hrough use of JP st	orage					mittment).	
	Fill in the name of t	he KPI here		L .	alamet				
\$1%,00%,000	JP WA/ID Avoided W	inter Cost		Prepared	signature				
6 \$ \$ \$ corp (fpc)				1					

# Capital Investment Business Case

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_GUS-1.2



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	4400 600								1/	/14	X 10. 11 11 1	
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,			Manufacture					(if necessary	) **	-6-1-	Director/Manager	
	-	2005-2057	2007-20	2008-2009	2409-291	19 :	2010-2011					
40 7.0	tal C Cemelit	531.126.56		159.674.227	2809-201 531-243-5	4.00	2010-2011 57mb.165	1				

	ERM Risk	Status	Riskon			Status Quo Ris			
Business Case	Reduction	Quo Raw Score	Completion Raw Score	Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
				5->\$10MM	< Once / year	3 - Could result in a sustained negative impact to local, online, or industrial relationships and / or national / global media coverage			
	1			Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood
						I1 - Potential for injury   Public health infrastructure Impact up to 8 hours	I< Once / year		
ackson Prairie	18	20	2			Risk upon Comple	tion		
Storage		20	-	Financial Impact (Consequential Costs/Revenues)	Likelihood	Lagal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
				1 - < \$200k	< Once / 10 years	1 - No likely impact on media or regulatory relationship.	< Once / 50 years		
				Environmental	Likelihood	Sefety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood
						1 - Potential for injury Public health infrastructure impact up to 8 hours	< Once / 50 years 1 -	Potential for Injury	< Once / 50 year

To be completed by Capital Planning Group		
Rationale for decision		Review Cycles
		2012-2016
	Date	Template

Functional Group: Transportation

Business Case Name: Fleet Budget

ER No: ER Name:

7000 Transportation Equip

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$21,100<sup>1</sup>

# Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	1,404	-	-	-	-	-	-	-	-	-	(0)	939	465
2015	7,700	643	641	641	641	642	641	643	641	641	642	642	641
2016	7,700	643	641	641	641	642	641	643	641	641	642	642	641

# **Business Case Description:**

Fleet utilizes a Vehicle Replacement Model analysis program to determine which vehicles are replaced for the next budget cycle. This program utilizes our internal data regarding equipment utilization, repair costs, purchase costs, disposal costs, and business needs across all classes of equipment. This provides a consistent and level spend to cover all departments effectively. This contributes to the operational readiness for all departments and our Company as a whole. The 5 year projection includes analysis of 19 classes of vehicles in total and the replacement of over 600 assets.

# Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

la	
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				and resources	Annual Cost Summary - Increase/(Decrease)	O&M Cost Other Costs Business Risk Score		Annual Cost Summary - Increase/(Decrease)	O&M Cost Other Costs Business Risk Score	5,135,679   \$ - 9	1,914,099 \$ - 4	• • • • • • • • • • • • • • • • • • •	\$	amiliable).					
		Life-cycle asset management	Business Risk Reduction >0 and <= 5	High certainty around cost, schedule and resources	1000	Çar	e any \$ 7,700,000 \$ ental cthat gram enefit int		Cap	able   \$ - 5   6   6   6   6   6   6   6   6   6	iable \$ 3,850,000 \$ ent. to to on's	e any \$ \$ sental ss in ions	e any \$ - \$ ental si in lons	Accordated Fre (liet all annitrable)	7000				
Assessments:	al: 7.00%	1===	Business Risk: Busines	Program Risk: High ce	Assessment Score: #NAME?	٩	e which vehicles get describe any ding equipment incremental is all classes of equipment. Changes that This contributes to the would benefit are projection includes would benefit operations		Performance	lace only when repairs  e with a maximum  failed  commitments		describe any incremental changes in operations	describe any incremental changes in operations	Anproved	7	5,700,406	000'002'2	000'002'2	
7,700,000 Assess	9	Strategic:	Busine	Prograi	Assessi		to determine which vel nal data regarding equipu s needs across all classes effectively. This contrib nole. The 5 year projecti			nent, but replace only when rep al expenditure with a maximum	Cut Spend by 50% to focus only on equipment that is at the end of it's life cycle, is at the upper end of repair costs, and is difficult to replace with a rental if equipment fails mid-year. This will create less spend on Capital, with an increase in O&M spend.	dered	dered	Other Costs 1	\$	9	\$ - \$	\$ - \$	Christian Company of the Company of
	5 Year Program		er				odel) analysis program ram utilizes our intern sal costs, and business cover all departments d our company as a wh ment of over 600 asset			Continue to maintain and repair equipment, but rep are no longer an option. Minimal Capital expenditur expenditure on O&M.	6 to focus only on equiper end of repair costs nt fails mid-year. This kM spend.	otions that were consi	Describe other options that were considered	O&M Cost	\$	- \$	\$	\$ 0	
Fleet Budget		Fleet Services	Chris Schlothauer	Don Kopczynski		scription:	icle Replacement Mc lget cycle. This progra urchase costs, dispo: t and level spend to a all departments and otal and the replacen			Continue to maintain are no longer an optic expenditure on O&M.	Cut Spend by 50% to focus cycle, is at the upper end o rental if equipment fails mi an increase in O&M spend.	Describe other or		Capital Cost	s	A-15	\$	\$	
Investment Name: Requested Amount	Duration/Timeframe	Dept, Area:	Owner:	Sponsor:	Category. Mandate/Reg. Reference:	Recommend Program Description:	Fleet utilizes a VRM (Vehicle Replacement Model) analysis program to determine which vehicles get replaced for the next budget cycle. This program utilizes our internal data regarding equipment utilization, repair costs, purchase costs, disposal costs, and business needs across all classes of equipment. This provides a consistent and level spend to cover all departments effectively. This contributes to the operational readiness for all departments and our company as a whole. The 5 year projection includes analysis of 19 classes in total and the replacement of over 600 assets.		Alternatives:	Unfunded Program: Replace only on failure	Reduced Spend	Alternative 2: Brief name Describe other options that were considered of alternative (if applicable)	Alternative 3 Name: Brief name of alternative (if applicable)	Program Cash Flows	Previous	2014	2015	2016	

Total 2 - 34/24/200   2 - 34/25/200   3 - 34	lotal			-				
2015   2016   1019			The second name of the second na					
S	FR	2015	2016	2017	2018	2019	Total	Mandate Excerpt (if applicable):
S	5000							provide brief citation of the law or regulation and a
S		\$	- \$	- \$	-	٠,	- \$	reference number if possible
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S							- \$	Any supplementary information that may be useful in
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\$ -		- \$	- \$		\$		- \$	urgency, etc.
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\$ 7,700,000   \$ 8,085,000   \$ 8,489,250   \$ 8,913,713   \$ 9,359,398   \$ 42,547,361		\$	\$	- \$	- \$	٠,	- \$	
Capital Tools:   Capi			\$	\$		\$		
n the name of the KPI here  n the name of the KPI here  n the name of the KPI here  Rate  Rate  (1)  Other Party Bariaw cinnature	rnal Labor Availability: [ kract Labor:	Low Probability	Medium Probability		Enterprise Tech: Facilities: Capital Tools: Fleet:	VES - attach form   VES - attach form   VES - attach form   ≤ YES - attach form	∠NO or Not Requi ∠NO or Not Requi ∠NO or Not Requi ☐NO or Not Requi	
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Other Party Borian circature		FO Rate				·	מרומות מרומות מרומות	Director/Manager
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Review Cycles 2012-2016

0.4	(if necessary)	Director/Manager	
0.2	This graph is to provide a place to direct the KPI benefit. Providing a graph is		
0	recommended to help communicate  what the project is intended to		

Capital Program Business Case

This space is to be used for photographs, charts, or other data that may be useful in evaulating the Program

To be completed by Capital Planning Group
Rationale for decision

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Functional Group: Enterprise Technology

Business Case Name: AvistaUtilities.com Redesign

ER No: ER Name:

5143 AU.com & AVANet Redevelopment

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$7,037<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	1,538	-	-	-	-	-	-	-	-	-	-	-	1,538
2015	4,125	-	-	-	-	-	-	-	-	-	-	4,125	-
2016	2,000	-	-	-	-	-	-	-	-	-	-	-	2,000

#### **Business Case Description:**

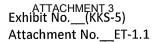
Refresh of the AvistaUtilities.com website to improve navigation, updating the look and feel of the overall site, creating a new homepage layout, and improving self-service and search functionality for customers. Since 2008, web usage on the AvistaUtilities.com site has increased by more than 55% and usability standards have since then changed to incorporate the emergence of mobile app technologies. The refresh includes improved functionality to allow for more customer self-serve use on our website.

### Offsets:

\$100,000 of additional O&M costs are included with this business case which negate the \$100,000 of O&M savings (see attached business case "Other Costs.") These savings are related to reduction in labor due to efficiencies gained by customers being able to navigate the website effectively. No offset has been included in the O&M Offset adjustment for this business case.

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.





Investment Name:	AvistaUtilities.co	m Redesign	STATES AND BUILD STUDY IN THE						
	\$1,500,000			Assessments:					
Duration/Timeframe		Year Project		Financial:	7.00%				
	Customer Solutio			Strategic:	Customer Exp				
	Dana Anderson,			Business Risk:	The second section of the sec	Reduction >5 and			
,	Dana Anderson,	Jim Kensok		Project Risk:	Moderate certa	iinty around cost, s	schedule and reso	urces	
J,	Project			4		Inches Land		<i>0</i> -	
	n/a ≡			Assessment Score:	77	Continue to the Continue to th	t Summary - Increas	CONTRACTOR SERVICE AND ADDRESS OF THE PARTY	
Recommend Project Descri					Performance	Capital Cost	O&M Cost		Business Risk Score
See Attached Project Charte					Improved usability for customers and improved capability for Information sharing and delivery to Increase overali employee engagement	\$ 1,000,000	\$ 500,000		0
						Avaustican	Ferrana Incres	o//Decrease)	
	no constitution of a second of the						t Summary - Increas		Durt Blat Carr
	unable to complete	e transactions on th	best practices. 14% of cust e web and of those that ca ime consuming and someti	n consistent feedback	Performance n/a	Capital Cost  \$ -  -  -  -  -  -  -  -  -  -  -  -  -	<b>O&amp;M Cost</b> \$ -	Other Costs	Business Risk Score
Alternative 1: Brief name of alternative (If applicable)	Redesign of Avistal	Jtilities.com			Improved usability, capability and new technology	\$ 1,000,000	\$ 500,000	\$	O
Alternative 2: Brief name of alternative (if applicable)					trew technicology	\$ -	\$	\$	Ò
Alternative 3 Name: Brief name of alternative (If applicable)						\$	\$	\$ -	O
Program Cash Flows	Capital Cost	O&M Cost	Other Costs	Approved		Associated Ers (list	all applicable):	EDAR STAND	
Previous		\$ -	\$ -	\$ 10,452	1	New	an apparable).	CHARLES CONTROL CONTRO	Name of the State
		\$ 100,000	\$ (50,000	The state of the s	i		Particular de Santago de Consta		
2014		\$ 100,000	\$ (100,000						
2015	\$ 300,000	\$ 100,000	\$ (100,000						
2016 2017 Total	\$ - \$ -	\$ 100,000 \$ 100,000 \$ 500,000	\$ (100,000 \$ (100,000 \$ (450,000	) \$ 2,000,000 ) \$ -					
ER	2013	2014	2015	2016	2017	Total	Mandate Excerpt (	if applicable):	
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0	\$	\$	\$	\$ -	\$ -			supports the Customi	
0	\$ -	\$ -	\$ -	\$ -	\$ .	\$ -	strategy by improving the website to better serve customers.  3. This Project supports the Employee strategy by		
0	\$ -	\$ -	\$	\$ -	\$ 150	\$ -			
0	\$ -	\$	\$ -	\$ -	\$ -	\$ -			
Total	\$ -	\$ -	Ś	\$	s -	<b>.</b>		ability for delivering i	
Milestones (high level t								employees.	regardente de Nederlânder (
	argets) Project Start		January-00	Onen		January 00	onen		
January-13 April-13 August-13 February-14	Project Start Phase 0 Complete Phase 1 Complete Phase 2 Complete Phase 3 Complete open	e e	January-00 January-00 January-00 January-00 January-00	open open open open open open		January-00 January-00 January-00 January-00 January-00 January-00	open open open open open open	Use your judg	ould be general, ement on project at progress can

# Exhibit<u>ላ</u>ዝዋ<sub>ልር ዘ</sub>ለዚዪ 5} Attachment No.\_\_ET-1.2

# Avista

Resources Requirements: Internal Labor Availability: Contract Labor:	: (request forms and : Low Probability YES	approvals attached  	☑ High Probability	Enterprise Tech: Facilities:	YES - attach form	NO or Not Required  ✓ NO or Not Required	Capital Tools: Fleet:	YES - attach form	✓ NO or Not Required ✓ NO or Not Required
Key Performance Indicato									
KPI Measure:	Fill in the name o								
1.2	Fill in the name o	r the KPI here							
Constitution	Series2				Prepared	signature			
	Series3								
	Project FO Rate Poly. (Series1)								
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Attachment 1: Project C Attachment 2: Charter A Attachment 2: Charter A	Addendam for Avv	AILEC							
To be completed by G	apital Plannino G	Group							
Rationale for decision				According to the control of the cont	Date		Review Cy( 2012-2016		

Functional Group: Enterprise Technology

**Business Case Name:** Enterprise Business Continuity Plan

ER No: ER Name:

5010 Enterprise Business Continuity

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$ 1,382 1

# Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	121	-	-	-	-	-	-	-	-	-	-	-	121
2015	450	-	-	113	-	-	113	-	-	113	-	-	113
2016	450	-	-	113	-	-	113	-	-	113	-	-	113

# **Business Case Description:**

Avista has developed an Enterprise Business Continuity Plan ("EBCP") to facilitate emergency response and business continuity activities in fulfillment of our mission to provide safe and reliable service to our customers. The program supports the Enterprise Business Continuity objectives by providing an all-hazards framework for emergency response, technology recovery, alternate facilities and business continuity activities. The program provides communications, escalation and operational procedures necessary for efficient response to events.

#### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Enterprise Busin	ness Continuity	Plan		·			XVIII VIII VIII VIII VIII VIII VIII VII			
Requested Amount Duration/Timeframe	\$482,000	Year Program		Assessments: Financial:	High - Exceed	a 120	% CIRR				
Dept, Area:	Enterprise Techn			Strategic:	Other		OHWA .				
Owner:	Clay Storey/Jim C			Operational:	Operations im			rent lev	els		
Sponsor:	Jim Kensok			Business Risk:	ERM Reduction						
Category:	Program			Program Risk:	High certainty	-					T
Mandate/Reg. Reference:	n/a			Assessment Score:	106	71 1.000 100		CHARACTER		e/(Decrease)	
Recommend Program Desc		u u pi (raca	N		Performance	-	Capital Cost		M Cost	Other Costs	Business Risk Score
Avista has developed an En business continuity activitie Continuity objectives by pro- recovery, alternate facilities escalation and operational Justifications:" for more info	es in fulfillment of ou oviding an all-hazard s and business conti procedures necessar	ır mission. The prop Is framework for er nuity activities. The	gram supports th nergency respon program provide	e Enterprise Business se, technology es communications,	This is a risk mitigation program	_\$ =	482,000	\$	498,755		
	A DECEMBER OF THE PROPERTY OF				1-2-12			E-THE MANUEL COMMAND		e/(Decrease)	
Alternatives:					Performance		Capital Cost		M Cost	Other Costs	Business Risk Score
Unfunded Program:	emergency event w longer delays in the shareholders, pote	vill be diminished. e restoration of bus ntially even action	This will have the iness services for by the utility com	our customer and mission against Avista.	n/a	\$		\$		\$ -	25
Alternative 1: Brief name of alternative (if applicable)	Avista has develope facilitate emergend of our mission. The program suppo	y response and bus	iness continuity	activities in fulfillment	This is a risk mitigation program	\$	482,000	\$	498,755		4
Alternative 2: Brief name of alternative (if applicable)	Describe other opti	ions that were cons	idered		describe any incremental changes in operations	\$		\$	-	\$ 125 -	0
Alternative 3 Name: Brief name of alternative (If applicable)	Describe other opti	ions that were cons	idered		describe any incremental changes in operations	\$		\$		\$	
Decrease Cash Flavor		was an			A	/II-e _	11 11 Class				
Program Cash Flows 5 years of costs				500 C C C C C C C C C C C C C C C C C C	Associated Ers 5010		ii appiicabiej:		4-0		- Inches
5 years or costs	Capital Cost	O&M Cost	Other Costs	Approved	3010			Significant Significant		Postancia i de la como	
	\$ 482,000			\$ 482,000		100					
2012	\$ 482,000	\$ 488,838	\$ -	\$ 482,000							
2013	All a fundamental and the second and the second	\$ 549,558		\$ 482,000							
2014		\$ 610,278		\$ 482,000							
2015	An expense of all managements and a management of the formation of the contract of the contrac	\$ 655,818		\$ 450,000							
2016 2017		\$ 701,358 \$ 746.898	\$ - \$ -	\$ 450,000 \$ 450,000							
2017			\$ -	\$ 450,000 \$ 450,000							
2019		\$ 732,438	\$ -	\$ 450,000							
Total		\$ 4,545,186	Ś	\$ 3,696,000							
Mandate Excerpt (if applic	able);										
Additional Justifications: Support of the Enterprise B activation of the EBCP. Thr restoration efforts are sync operating procedures in supemergency operations and Resources Requirements: (Internal Labor Availability:	ough the developme hronized, which in to pport of critical busin provide an environn frequest forms and a	ent and maintenand urn, lowers the risk ness processes, pro nent of constant im	e of standardize of direct, indirec cess and procedu provement.	d mission critical plans a t, tangible or intangible	nd comprehensi losses. Through	ve alt on-go ensur	ernate facilities ing developmer	plannin nt, main of syste	g, exercises tenance, rev ms, procedu Check the ap	and testing, the res view, and testing of ires, processes, and ppropriate box. The	ponse, recovery and the critical alternate people during
Contract Labor:	☐ Low Probability  ✓ YES	☐ Medium Probability	≝ nign Probabilty	Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form		NO or Not Request NO or Not Not Request NO or Not Not No or Not No or N	ired ired	resource ow a general se	should be checked to rners have been cont nse of how likely staf ot require a firm com	acted and to provide f will be provided

Exhibit NATTA(知知的)T 3 Attachment No.\_\_ET-2.2



Key Performance Indication Expected Performance Impr						
KPI Measure:	Fill in the name of the KPI here					
	Fill in the name of the KPI here	Prepared	signature			
		7.1-2.1				
			•			
		Reviewed	signature		Director/Manager	
				MARKE	Stomers	
		Other Party Review (if necessary	w signature	Marye	Director/Manager	
		(II TICCCSSEIT)	,	· 1	Directorinariager	
The December of stone	ned to include the following Projects in the next 5 years					
		<b>.</b> ,				
<ol> <li>Enterprise Busines</li> <li>Alternate facilities i</li> </ol>	s Continuity management software					
3. Includes AFM/OMT	Γ in Disaster Recovery					
<ol> <li>Includes Mobile Dis 5. Includes AMR systems</li> </ol>	spatch in Disaster Recovery ems(Fixed network, AutoSOI, MV90, others) in Disasto	er Recovery				
6. Filesystem expans	ion in Disaster Recovery	•				
						•
						AND THE PARTY OF T
To be completed by	Capital Planning Group					
Rationale for decisi	ion .				Review Cycles	
					2012-2016	
			Date		Template	

Functional Group: Enterprise Technology

Business Case Name: Mobility in the Field

ER No: ER Name:

5144 Mobility in the Field

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$ 1,270 1

# Transfer to Plant Amounts (\$000s - System):

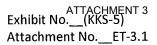
Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	189	-	-	-	-	-	-	-	-	-	12	5	173
2015	450	-	-	113	-	-	113	-	-	113	-	-	113
2016	320	-	-	80	-	-	80	-	-	80	-	-	80

### **Business Case Description:**

This program is to increase the Company's mobility in the field using mobile devices. A Mobile Road Map Team has documented 30 opportunities where mobile technology could be used in the field. The top opportunities, with the highest benefit and savings, are included over the five-year program. The first phase is the project called "Visibility in the Field", which will assist in Leak Survey and Gas Service Dispatch by providing spatial maps in the field using a mobile device.

#### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Mobility in the Field \$200,000	Assessments:					
Requested Amount Duration/Timeframe	5 Year Program	Financial:	MH - >= 9% &	<12% CIRR			
Dept, Area:	Energy Delivery	Strategic:	Agile Technolo				
Owner:	Heather Rosentrater & Mike Broemeling	Operational:	Operations imp	proved beyond curr	rent levels		
Sponsor:	Don Kopczynski & Jim Kensok	Business Risk:	ERM Reductio	ALL CONTRACTOR OF THE PROPERTY			
Category:	Program	Program Risk:		around cost, sched			
	n/a	Assessment Score:	83		Summary - Increas	A TOTAL CONTRACTOR AND ANALYSIS ANALYSIS AND ANALYSIS AND ANALYSIS AND ANALYSIS AND ANALYSIS ANALYSI ANALYSI	
Recommend Program Desc			Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
documented 30 opportunit with the highest benefit an opportunities will continue (CIRR) at 9% per Dave Defe be for the project called Vis Dispatch This would proving for our field employees. Obenefits would include ope timely entry of data along wiew GIS Layers and Multip	our mobility in the field using mobile devices. A Mobiles where mobile technology could be used in the field savings, are included over the five year program. At to emerge, therefore a Mobility Program is requested. Opportinites will be done in phases over the 5 libility in the Field which enables the following: 1. Let ide spatial maps in the field, using a mobile device resur customer will benefit with these new capabilities a rations improvements to reduce compliance risk, reduith improved tools and information in the field. The field Maps in the Field (in 2013) 2. Gas Exposed Pipe Rerovide Gas Blue Leak Survey Form (in 2013) 5. Dama	d. The top opportunities, diditional mobile  1. The Customer IRR years. The first phase will ak Survey 2. Gas Service ulting in efficiency gained and effeciencies. The use duplicate effort, more top opportunities are 1. eport (in 2014) 3. Capture	collaboration with internal employees and				2
			technology.				
A CONTRACTOR OF THE PARTY OF TH				Annual Cost	Summary - Increas	se/(Decrease)	
Alternatives:		STATE OF STATE	Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Unfunded Program:	Maps are printed and taken out to the field; Paper p information in the field and then enter the data into the office; If a Serviceman does have a Go-Book ther is done along with the paper process as a backup; In	electronic format once in both the electronic entry		\$ 1000000000000000000000000000000000000	\$		3
Alternative 1: Add ArcGIS Server with tablet mobile devices	Either establish an ELA with Esri or purchasing licens installation of servers and ArcGIS Server application, hire one FTE for AFM Team, deploy approximately 1 testing, process changes and training. Mobile device	es individually, establish governance, 80 mobile devices, user	\$2,000 per device estimate	\$ 150,000			2
Alternative 2: Add ArcGIS Server with Mesa devices	Mobile devices deployed as a Mesa.		\$4,000 per device estimate				0
Alternative 3 Name: Add ArcGIS Server with Go- Book devices	Mobile devices deployed as a Go-Book.		\$10,000 per device estimate				0
Program Cash Flows		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	Associated Frs (	list all applicable):	10°-	2 750 2	
5 years of costs	Capital Cost   O&M Cost   Other Cost	s Approved	Current ER				
	The second secon	FF				White property of	
2012		\$					
2013 2014 2015 2016 2017 2018 Total	\$ 320,000 \$ 126,000 \$ (200,0) \$ 420,000 \$ 300,000 \$ (392,0) \$ 320,000 \$ 350,000 \$ (425,0) \$ 400,000 \$ 400,000 \$ (472,0) \$ - \$ - \$	00) \$ 420,000 00) \$ 320,000 00) \$ - \$ -					
Additional Justifications: The hardware and software deploy along with a disconi	ne law or regulation and a reference number if po e technology is advancing in such a manner that it will nected application for our field workers to be able to v ties more of a standard in doing business. Our field w	now benefit our field per work offline and synch inf	ormation back an	d forth when connec	tion is successful to	wi-fi or cellular. Ad	vances in technology

YES - attach form

NO or Not Required

✓ Medium Probability ☐ High Probability Enterprise Tech:

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the

<b>AT.</b>	ker ent denn	
	78 S	TAN

Exhibit No.\_\_(KKS-5)
Attachment No.\_\_ET-3.2

Contract Labor:	☑YES	□NO	Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	NO or Not Required NO or Not Required NO or Not Required	resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm committment).
Pol	nprovements To be detern Fill in the na	nined by each project me of the KPI here	Prepared Reviewed	signature	Die	ector/Manager
1000 500 0 1 -500	2 3 4	This graph is to provide a place to direct the KPI benefit. Providing a graph is recommended to help communicate what the project is intended to	Other Party Review (if necessary	w signature	Margie	SAWUS ector/Manager
	This space	is to be used for photographs, charts,	or other data that ma	ay be useful in evau	ulating the Program	
						·
To be completed Rationale for dec	by Capital Planni	ng Group		Date		Review Cycles 2012-2016 Template

Functional Group: Enterprise Technology

**Business Case Name:** Technology Refresh to Sustain Business Process

ER No: ER Name:

5005 Information Technology Refresh Program

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$47,552 1

# Transfer to Plant Amounts (\$000s - System):

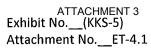
Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	5,421	-	-	-	-	-	-	-	-	-	1,131	570	3,721
2015	18,595	-	-	4,649	-	-	4,649	-	-	4,649	-	-	4,649
2016	16,095	-	-	4,024	-	-	4,024	-	-	4,024	-	-	4,024

### **Business Case Description:**

This program is in place to provide for technology refresh in alignment with the roadmaps for application and technology lifecycles. The continuation of technology refresh programs provides benefit to Avista by providing a stable and reliable application and computing platform to allow for the safe and reliable operation of our electric and gas infrastructure.

#### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.





Investment Name: Requested Amount	Technology Refresh to Sustain Business Proce \$ 15,362,243 Assessments:													
Duration/Timeframe	10 Year Program Financial:					Medium - >= 5% & <9% CIRR								
Dept, Area:	TS/IT	Life Cycle Programs												
Owner:	Jacob Reidt/Jim	Operations require execution to perform at current levels												
Sponsor:	Jim Kensok	ERM Reductio			ula and rangura	•								
Category:	Program	Termony		-	gram Risk:		aroui		ule and resource					
	n/a			ASSE	essment Score:	89			Summary - Increa	ise/(r		Description of the second		
Recommend Program Desc	on education was a second					Performance	4000000000	Capital Cost	O&M Cost		Other Costs	Business Risk Score		
This program is in place to p and technology lifecycles. T providing a stable and relial operation of our electric an	he continuation of t ble application and	echnology refresh computing platforn	programs provide	es ber	efit to Avista by	This program provides for current technologies for the normal operation of the business	\$	15,362,243	Summary - Increa	\$ \$	ecrease)	15		
Alternatives:	777					Performance		Capital Cost	O&M Cost		Other Costs	Business Risk Score		
Unfunded Program:	Not doing this prog staff members with process efficiency increase technolog	h key institutional k 3) increase in O&M	nowledge 2) Dec labor to support	rease the te	In business echnology 4)	The performance of the computing technology at	\$			\$	1,895,751	20		
Technology Refresh Programs	This program is in the roadmaps for a technology refresh and reliable applicatellable operation	This program provides for current technologies for the normal	\$	15,362,243	\$	\$		15						
Alternative 2: Brief name of alternative (if applicable)	Describe other opt	ions that were con	sidered		describe any incremental changes in operations	\$		\$ 100 MI His many Land 100 MI	\$		0			
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other opt	ions that were con	sidered			describe any incremental changes in operations	\$		\$	\$		Ö		
Program Cash Flows						Associated Ers (	list a	li applicable):			Photo E			
5 years of costs			· · · · · · · · · · · · · · · · · · ·			5005			Banana masanifili					
	Capital Cost	O&M Cost	Other Costs		Approved		ASS.							
	\$ 9,973,758	\$ -		\$	9,973,758					i Was	he estimination			
2013			\$ -	\$	11,110,491									
2014			\$ -	\$	15,362,243									
2015			\$ -	\$	16,094,833									
2016			\$ -	\$	16,094,833									
2017		\$ -	\$ -	\$	16,094,833									
2018 2019		\$ -	\$ -	\$ \$	18,094,833 20,094,833									
Total			\$ -	\$	102,825,824				•		•			
Mandate Excerpt (If applica provide brief citation of th		n and a reference	number if poss	sible										
Additional Justifications: Technology refresh progran and improve their systems i reason is due to the additio in 3-5 years adding to the re and \$500k in Network Syste	to provide improved n of new hardware efresh budget, For e ems per year, Busin	I performance and and software to su example, infrastruc ess Application Exp	function. This in oport new busine ture refresh costs ansion is up betw	turn r ess rec the li	equires companie Juirements and gro ncrease from year	s to replace syste owth. New equip to year due to pr	m on meni lor ye	a periodic basi: t purchased und ears spend in Te	s to maintain relia Ier Technology Exp chnology Expansio	bility a bansio on, ro	and functionality n Program will h ughly \$800k in D	. The second main lave to be refreshed listributed Systems		
Resources Requirements: (	request forms and a	ipprovais attached,							F-150 400 000 0					
Internal Labor Availability: Contract Labor:	☐ Low Probability  ✓ YES	☐ Medium Probability ☐ NO	☑ High Probablity	Faci	erprise Tech: lities: ital Tools: t:	✓ YES - attach form ✓ YES - attach form ☐ YES - attach form ☐ YES - attach form		NO or Not Requi NO or Not Requi NO or Not Requi NO or Not Requi	red labor boxe red resource o red a general s	s shou wners ense c	ld be checked to I	cted and to provide will be provided		

ATTACHMENT 3 Exhibit No.\_\_(KKS-5) Attachment No.\_\_ET-4.2

ey Performance Indic					
pected Performance Impr PI Measure:	Fill in the name of the KPI here				
	Fill in the name of the KPI here		-1		
		Prepared	signature		
			•		
		Reviewed	signature		
				Director/Manager	
				Margu Stevers	
		Other Party Review (if necessary	w signature i	Director/Manager	
		(II riecessar)	"	5 Director/Manager	
	and the second s				
	This space is to be used for photographs, o	charts, or other data that ma	ay be useful in ev	aulating the Program	
			•		
he completed hy	Capital Planning Group				
Rationale for decisi	ion			Review Cycles	
				2012-2016	
			Date	Template	
			Date	remplate	

Avista

Functional Group: Enterprise Technology

**Business Case Name:** Customer Service System Replacement (Project Compass)

ER No: ER Name:

5138 Customer Information System (CIS) Replacement

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$110,000 1

# Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	95,108	-	83,820	4,000	2,600	4,688	-	-	-	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-	-

### **Business Case Description:**

The Customer Information System (CIS) will be implemented in two waves. The first wave includes the Maximo application in the Company's areas of Generation, Production, and Substation Support. This wave has an estimated go-live date or transfer to plant date of September 2013. The second wave, includes Maximo application in the Company's areas of Transmission, Distribution, and Gas Operations, as well as the Customer Care and Billing application. This large technology project is described in detail in the testimony of Mr. Kensok.

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Functional Group: Enterprise Technology

Business Case Name: Enterprise Security

ER No: ER Name:

5014 Security Systems

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$8,335 1

# Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	666	-	-	-	-	-	-	-	-	-	-	-	665
2015	3,800	-	-	950	-	-	950	-	-	950	-	-	950
2016	3,200	-	-	800	-	-	800	-	-	800	-	-	800

# **Business Case Description:**

This program is to maintain and improve all security aspects to protect people, assets, information & operations through projects, activities and polices. It will also manage the number of security incidents at level that aligns with our corporate risk expectations. Additionally it will increase the culture of security through education and training.

# Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

# AVISTA

Investment Name: Requested Amount	Enterprise Secu \$1,836,932	rity		Assessments:										
Duration/Timeframe	and the second section of the section o	Year Program		Financial:	12%									
Dept, Area:	Enterprise Techn		Barosta rasabili	Strategic:	Agile Technolo	Agile Technology Platforms								
Owner:	Clay Storey/Jim C			Business Risk:	Business Risk	Reduction >5 and	<= 10							
Sponsor:	Jim Kensok			Program Risk:	High certainty	around cost, sche	dule and resource							
Category:	Program													
Mandate/Reg. Reference:	n/a			Assessment Score:	#NAME?	Annual Cos	t Summary - Increa	se/(Decrease)						
Recommend Program Desc	ription:				Performance	Capital Cost	O&M Cost	Other Costs	<b>Business Risk Score</b>					
This program is to maintain operations through project level that aligns with our country defends and train through education and train	s, activities and poli prporate risk expecta	ces, It will also man	age the number	of security incidents		\$ 1,836,932			9					
							t Summary - Increa							
Alternatives:		10.00			Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score					
Unfunded Program:	Address issues rela arise and pay fines			compliance as they	The risk of security incidents increases		\$ 1000	\$ 5,000,000	15					
Alternative 1: Brief name of alternative (if applicable)	This program is to people, assets, info polices, it will also aligns with our corpulture of security	ormation & operation manage the numbe porate risk expecta	ons through proje or of security incident tions, Additionall	ects, activities and	Decreases the likelihood or severity of security incidents	\$ 1,836,932	The second secon		9					
Alternative 2: Brief name of alternative (if applicable)						\$	<b>.</b>	\$	0					
Alternative 3 Name: Brief name of alternative (If applicable)						\$	\$	\$ -	Ö					
Program Cash Flows		20110				F- 1- 1- 10								
	Capital Cost	O&M Cost	Other Costs	Approved		Associated Ers (list	ali applicable):							
Previous			\$ - \$ -	\$ 1,885,0 \$ 1,510,0		From 5014	Version and the second							
2013 2014	\$ 1,885,000 \$ 1,885,000	\$ - \$ -	\$ -	\$ 1,510,0 \$ 1,935,0										
2014	• • • • • • • • • • • • • • • • • • •	\$ -	\$ -	\$ 3,200,0	100, 11, 11, 1									
2016		\$ -	\$ -	\$ 3,200,0			National Property of the Control of	I I I A PARA I AND A DA						
2017	\$ 1,885,000	\$ -	\$ -	\$ 3,200,0	00.774									
2017				\$ 3,200,0										
2019		<b>Š</b>	\$ -	\$ 3,200,0										
Total		\$ -	\$ -	\$ 19,445,0										
ER	2013	2014	2015	2016	2017	Total	Mandate Excerpt	(if a salisable).						
<b></b>	2013	2014	2013	2010	2017	S -		not mandatory howe	ver project under					
						\$ -		ils business case ma						
						\$ -		n their specific requi						
5014	\$ 1,885,000	\$ 1,885,000	\$ 1,885,000	\$ 1,885,0	00 \$ 1,885,000	\$ 9,425,000								
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0 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -								
Total	\$ 1,885,000	\$ 1,885,000	\$ 1,885,000	\$ 1,885,0		\$ 9,425,000								
Dasoureas Basulton avit.	roquest forms and	narovale attack - Ji												
Resources Requirements: ( Internal Labor Availability: Contract Labor:	Enterprise Tech: Facilities: Capital Tools: Fleet:	✓ YES - attach form ✓ YES - attach form ☐ YES - attach form ☐ YES - attach form	✓ YES - attach form  ☐ NO or Not Required ☐ YES - attach form ☐ VES - attach form ☐ NO or Not Required ☐ a general sense of how likely staff will be provided											
Key Performance Indicator	nents	L- VOI b												
KPI Measure:	Fill in the name of t				Prepared	signature								
1.2 Serie:	s2													

### Avista

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economic Series3		Reviewed sign	nature
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Poly. (Series1)			
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		•	nature Many Stwys  Director/Manager
		Other Party Review sign	nature / // www. In two two
0.4		(if necessary)	∜Director/Manager
0.2	This graph is to provide a place to direct		
	the KPI benefit. Providing a graph is		
0	recommended to help communicate		
1	what the project is intended to		
•			
		]	
1042 Declare	Inna E Projecto		
2013 Projects	2015 Projects		
Certificate Management	PKI Refresh		
VA expansion to SCADA and GCN	CVA Hardware Refresh		
Data loss prevention software and Data classification standards			
mail Encryption	Disk Encryption Refresh		
ile Integrity Monitoring	Network Device Config Analysis Refr	<u>esh</u>	
letwork Access Control Phase 1	McAfee NSM & NIPS Refresh		
letwork Device Config Analysis Automation	Maiware Detection Appliance Refresh		
letwork IPS Expansion	Limitation and Control of Network Por	ts. Protocols, and Services	
security monitoring expansion to GCC and SCADA (QRadar)	Configuration management tool		
wo factor authentication	Boundary Defense		
	Application SW-Secure config		
014 Projects	<b>Account Monitoring and Control</b>		
IEM & Qflow Refresh	HR Systems Integration w/Active Dire	ctory	
controlled Access based on need to know			
SPWR Internet Access	2016 Projects		
ron Security Appliances (SGDP) Refresh	Asset mgt/Auth & Unauth Devices Re	fresh	
sset management - Authorized & Unauthorized SW	Password Vault Refresh	are the control of th	
dentity Management Solution	Network Access Control Refresh		
controlled Use of Admin Privileges	Identity Management Refresh		
assword Vault	Enterprise Reduced Sign-On		
assword vadit	Controlled Access based on need to	know-Refrech	
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o be completed by Capital Planning Group			
Rationale for decision			Review Cycles
			2012-2016
		Date	Template

Functional Group: Enterprise Technology

**Business Case Name:** Technology Expansion to Enable Business Process

ER No: ER Name:

5006 Information Technology Expansion Program

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$15,9701

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	1,662	-	-	-	-	-	-	-	-	-	225	221	1,216
2015	6,069	13	13	1,479	13	13	1,479	13	13	1,479	13	13	1,529
2016	5,552	12	12	1,363	12	12	1,363	12	12	1,363	12	12	1,363

### **Business Case Description:**

This program facilities the technology growth throughout the Company. This includes technology expansion for the entire workforce, business process automation and increases in technology to support efficient business processes.

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name: Requested Amount Duration/Timeframe Dept, Area: Owner: Sponsor: Category: Mandate/Reg. Reference:	Technology Exp \$ 10 Enterprise Techo Jacob Reidt/Jim 6 Jim Kensok Program n/a	Year Program nogy	e Business Pro 4,635,572		Financial: 7.00%  Strategic: Agile Technology Platforms  Business Risk: Business Risk Reduction >5 and <= 10  High certainty around cost, schedule and resources  #NAME? Annual Cost Summary - Increase/(Decrease)						
Recommend Program Desc	ription:			3.25	Performance	C	apital Cost	O&M Cost	Other Costs	Business Risk Score	
This program facilities the t expansion for the entire wo efficient business processes	orkforce, business pr					\$	4,635,572			5	
4.F					1 5 7			Summary - Increa O&M Cost	se/(Decrease) Other Costs	Business Risk Score	
Alternatives: Unfunded Program:	and application enl	nancement to provi o in-house develop m will be the loss o	ide for growth of ed applications. If 20+ application		Performance n/a	\$	apital Cost	S -	\$ -	15	
Alternative 1: Brief name of alternative (if applicable)	This program facilit includes technolog automation and inc processes.	y expansion for the	entire workforce			\$	4,635,572	S Control of the Cont		5	
Alternative 2: Brief name of alternative (if applicable)		1				\$	The second secon		\$	0	
Alternative 3 Name: Briefname of alternative (if applicable)						\$		\$	5		
Program Cash Flows	Control Cont	O&M Cost	Other Costs	Approved	1		alakad Fas Illak	all auglicable):			
Previous	\$ 7,792,700		\$ -	Approved \$ 7,792,700		ASSU	5006	all applicable):			
2013			\$ -	\$ 5,648,113							
2014		11 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	\$ -	\$ 4,635,572							
2015 2016 2017 2018	\$ 7,559,940 \$ 8,330,445		\$ - \$ - \$ -	\$ 5,799,088 \$ 5,535,539 \$ 5,799,088 \$ 5,799,088		amo	unts same as	2012 less 820k n	noved to new Enter	orise Security	
2019 Total	\$ -	\$ -	\$ -	\$ 7,496,234 \$ 40,712,722		busir	ness case				
ER	2013	2014	2015	2016	2017		Total	Mandate Excerpt			
5006 0 0	\$ 7,675,945 \$ - \$ -	\$ 7,835,572 \$ - \$ -	\$ 8,083,991 \$ - \$ -	\$ 7,559,940 \$ - \$ - \$ -	\$ 8,330,445 \$ - \$ -	\$ \$	39,485,893		na -		
0 0 0	\$ - \$ - \$ -	\$ - \$ - \$ -	\$ -	\$ - \$ -	\$ - \$ - \$ -	\$ \$ \$					
0	\$ - \$ -	\$ - \$ -	\$ \$	\$ - \$ -	\$ - \$ -	\$		Additional Justific		in 2012 hazarra at	
0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	\$ -	\$ -	\$ -	\$ -	\$ -	\$			sion is being reduced items are being move	· 李 \$4.5 - 1.77 (1.55 ) 1.4 - 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$		to Trop view. Decreases a material side	case. The CIRR for th	international for the first and the first	
0	\$ -	\$ - \$ -	\$ - \$ -	\$ -	\$ -	\$		The second secon	cause the Items in th	designed in the transmission of the design of the first terms.	
0	\$ -	\$ -	\$ - \$ -	\$ - \$ -	\$ -	Š		agram a free rate of Mary Hill—magnife State	d with other departmery difficult to calcula	Harris and the state of the contract of the co	
0 0	\$ -	\$	\$ -	\$ -	\$ -	\$			er, minious to calcula		
0	\$ -	\$ -	\$ -	\$	\$ -	\$	20 405 200				
Total	\$ 7,675,945	\$ 7,835,572	\$ 8,083,991	\$ 7,559,940	\$ 8,330,445	\$	39,485,893				
Resources Requirements: (	request forms and a	pprovals attached)		10 pt 14 pt 15 pt							
Internal Labor Availability: Contract Labor:	☑ Low Probability ☐ YES	☐ Medium Probability ☐ NO	☑ High Probablity	Enterprise Tech: Facilitles: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form		NO or Not Request NO or	ired labor boxes ired resource of ired a general so	appropriate box. The in is should be checked to i wners have been contac anse of how likely staff lot require a firm comm	ndicate if the sted and to provide will be provided	
	and the second s										

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_ET-7.2

AVISTA

			Attachment Not17.2
		Prepared signatur	re
1,2 -			
	withmann Series 2		
1 -	Series 1		
		D. I. I. alamatus	
0.8	Series3	Reviewed signatur	Director/Manager
0.6	Project FO Rate	i ·	Difector/Manager
	—— Poly. (Series1)		
0.6 -			TAMA - Chine a
		Other Party Review signatur	re Maren Sturns
0.4 -		(if necessary)	Øirector/Manager
0.2 -	This graph is to provide a place to direct	Processing in the Control of the Con	
	the KPI benefit. Providing a graph is	20000000	
0 -	recommended to help communicate	-	
0 -	what the project is intended to		
		and the state of t	
Diagea ea	e attachment for descriptions of the work completed under this program.		
1 10430 30	e attachment for descriptions of the work completed under the program.		
			· · · · · · · · · · · · · · · · · · ·
To be co	mpleted by Capital Planning Group		
Ration	ale for decision		Review Cycles
			2012-2016
		Date	Template
		Palatine	
		Section 1997 Annual Conference of the Conference	

Functional Group: Enterprise Technology

**Business Case Name:** High Voltage Protection for Substations

ER No: ER Name:

5142 High Voltage Protection Upgrade

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$ 1,399 1

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	485	-	-	-	-	-	-	-	-	-	4	2	478
2015	719	-	-	-	-	-	-	-	-	-	-	719	-
2016	415	-	-	-	-	-	-	-	-	415	-	-	-

### **Business Case Description:**

High Voltage Protection to personnel and telecommunication equipment by fiber integration, demark relocation, & equipment remediation at suburban and rural substations.

### Offsets:

The attached business case shows O&M Offsets exist. After further discussion it was determined that these savings will be distributed to other expenses and the initial savings will be negated. Therefore, these additional savings have not been included.

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	High Voltage Protection for Substations_Revis	ā .								
Requested Amount	\$4,371,844	Assessments:								
Duration/Timeframe	6 Year Project	Financial:	Medium - >= 5	%&<	<9% CIRR					
Dept, Area:	Enterprise Technology	Strategic:	Reliability & Ca	apacit	y					
Owner:	Jacob Reidt/Jim Corder	Operational:	Operations red	uire e	execution to p	erfo	rm at current	evels		
Sponsor:	Jim Kensok	Business Risk:	<b>ERM Reductio</b>	n >5 a	and <= 10					
Category:	Mandatory	Project/Program Risk:	High certainty	aroun	d cost, sched	lule :	and resources			
Mandate/Reg. Reference:	Yes	Assessment Score:	128		Cost Sur	nmai	ry - Increase/(I	)ecrea	ise)	
Recommend Project Descr	iption:		Performance	С	apital Cost		O&M Cost	C	ther Costs	ERM Risk Score
The second secon	personnel and Telco equipment by fiber integration, den suburban and rural substations.	nark relocation, &	describe any incremental changes that this project would benefit present operations	\$	3,820,309	\$	(374,500)			
					Cost Sur	nmai	ry - Increase/(E	ecrea	ise)	
Alternatives:			Performance	C	apital Cost		O&M Cost	C	ther Costs	ERM Risk Score
Status Quo:	Not repairing this situation has potential to increase the telephone company personnel working near substation damage to communications equipment caused by elect	s and the risk of	n/a	\$		\$		\$	1,000,000	15
Alternative 1: Brief name of alternative (if applicable)	High Voltage Protection to personnel and equipment by demark relocation, & equipment remediation at suburt substations.		16 substations integrated onto fiber network, reducing	10000	3,820,309	\$	(48,600)	\$		3
Alternative 2: Brief name of alternative (If applicable)	Describe other options that were considered		describe any incremental changes in operations	\$		\$		\$	-	0
Alternative 3 Name: Brief name of alternative (if	Describe other options that were considered		describe any incremental	\$		\$		\$		0

Timeline

### Construction Cash Flows (CWIP)

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 1,243,989	\$ Englag group Agentaga	\$	\$ 1,243,989
2012	\$ 1,041,320	\$ (18,000)	\$ jamesti jamest <del>i</del> ja	\$ 997,355
2013	\$ 525,000	\$ (37,300)	\$ 12,000	\$ 696,500
2014	\$ 530,000	\$ (53,200)	\$ 12,000	\$ 565,000
2015	\$ 320,000	\$ (53,200)	\$ 12,000	\$ 419,028
2016	\$ 160,000	\$ (53,200)	\$ 12,000	\$ 415,442
2017	\$	\$ (53,200)	\$ 12,000	\$
2018	\$	\$ (53,200)	\$ 12,000	\$
Future	\$	\$ (53,200)	\$ 12,000	\$
Total	\$ 3,820,309	\$ (374,500)	\$ 84,000	\$ 4,337,314

Rebaselined after completion of Design & Planning

### Milestones (high level targets)

October-11 December-11 October-12

December-12

Major Procurement

Previous Spend 2011 Major Procurement Previous Spend 2012 January-13 First fiber project close February-13 First remediation project

ebruary-13 First remediation project close
March-13 Second remediation project close
April-13 Future GridNet Sites engineering

December-14 RLH Construction
December-15 RLH Construction
December-16 RLH Construction

July-13 HVP Shop labor finishes
December-13 Finalize GridNet Installation

Associated Ers (list all applicable):
Mandate Excerpt (if applicable):

5119

Under CenturyLink (FKA Qwest) tarrif Number 1 section 13.7 requires that the customer provide high voltage protection for communication circuits in high voltage areas. Please notes below for additional information

### Additional Justifications:

In order to balance the need for communications from devices at substation locations with safety of personnel and equipment, high voltage protection & isolation standards have arisen. Telco companies have the ability or desire to turn off communication circuits to substations until Avista works with them to electrically isolate the copper coming into the substation. This effects Phone, Modern, SCADA, and / or Metering & Monitoring systems at the substations. This set of projects was created to mitigate this tariff risk as well as the lower likelihood (but more expensive) risks to personnel and equipment.

Resources Requirements: (request forms and approvals attached)

### AVISTA

### Capital Investment Business Case

Exhibit NoTTA(Kt/(SES))T 3
Attachment No.\_\_ET-9.2

Internal Labor Availability: Contract Labor:	Low Probability YES	✓ Medium Probability	☑ High Probability	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	NO or Not Required ✓ NO or Not Required ✓ NO or Not Required ✓ NO or Not Required			
Key Performance Indicato					•				
KPI Measure:	Fill in the name of								
				Prepared	signature				
				Reviewed	signature	D	rector/Manager		
					<u> </u>	244 .		2	
				Other Party Review		YV/ange	J-WM irector/Manager	<i>H</i>	
					,				
		<u> </u>							
	,			or other data that ma		- , -			
Please see the follow lin http%3A%2F%2Ftariffs.	k for CenturyLink qwest.com%3A80	(FKA Qwest) Tarifi 000%2Fidc%2Fgro	f No. 1 that outli ups%2Fpublic%	ines the requirement %2Fdocuments%2Ft	ts for High Voltage ariff%2Ffcc1_s013	Protection Circuits. p021.pdf			
This project was started	in 2011 under ER	R5005 and is being	moved out of E	R5005 into its own E	Business Case,				
								,	
					•				
To be completed by Ca Rationale for decision	pital Planning G	roup					Review Cycles		
							2012-2016		
					Date		Template		

Functional Group: Enterprise Technology

Business Case Name: Next Generation Radio Refresh

ER No: ER Name:

5106 Next Generation Radio System

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$3,733<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	4,200	-	-	-	2,742	-	-	-	1,458	-	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-	-

### **Business Case Description:**

This project is refreshing Avista's 20 year old Land Mobile Radio ("LMR") system that is used for critical crew communications during outage restoration and daily operations of maintaining the electric and gas distribution and transmission systems. Avista continues to maintain a private LMR system because the offerings available from public providers cannot provide communication throughout our rural service territory and as a portion of our nation's critical infrastructure it is imperative that Avista have a communication system that will operate in the event of a disaster to help safeguard the general public.

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name: Requested Amount	Next Generation Radio Refresh 21,907,957	Assessments:					
Duration/Timeframe	5 Year Project	Financial:	Medium - >= 5	5% & <9% CIRR			
Dept, Area:	Enterprise Technology	Strategic:	Agile Technolo	ogy Platforms			
Owner:	Jacob Reidt/Jim Corder	Operational:		quire execution to	perform at	current levels	
Sponsor:	Jim Kensok	Business Risk: Project/Program Risk		on >5 and <= 10	adule and re	reources.	
Category: Mandate/Reg. Reference:	Mandatory FCC Narrow Banding Mandate (See below)	Assessment Score:	128			rease/(Decrease)	
Recommend Project Descri		Trissessificant sector	Performance	Capital Cost	O&M	TEMPONON DISINON NEEDWOOD CONTRACTOR	Costs ERM Risk Score
This project is refreshing Av communications during out distribution and transmissic because the offerings availa service territory and as a po	ista's 20 year old Land Mobile Radio (LMR) system that tage restoration and daily operations of maintaining the on systems. Avista continues to maintain a private Land able from public providers cannot provide communication prition of our nation's critical infrastructure it is imperative twill operate in the event of a disaster to help safeguard	electric and gas Mobile Radio system on throughout our rura we that Avista have a	The current radio system will not meet			\$ 100	
				Cost S	ummary - Inc	rease/(Decrease)	
Alternatives:			Performance	Capital Cost	0&M		Costs ERM Risk Score
Status Quo:	Describe the current condition of the asset(s) and prob corrected	lems that need to be	n/a		\$	\$	0
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered		describe any incremental changes in operations	Sample of the control	\$	\$	- 0
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered		describe any incremental changes in operations		\$ 1000000000000000000000000000000000000		0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered		describe any incremental changes in operations	\$ -	\$	\$	
Timeline				Construction Cas	n Flows (CW)	0)	
imeine				Construction Cas	i Linas (Caa)	F1	
				Capital Cost	O&M	Cost Other	
							- \$ 11,327,464
		Actual	Previous			\$ \$	A CONTRACTOR OF THE PROPERTY O
		Actual Forecast	2012	\$ 8,003,57	3 \$	- \$	- \$ 4,262,000
			2012 2013	\$ 8,003,57 \$ 2,997,26	3 \$ 0 \$	- \$ - \$	- \$ 4,262,000 - \$ 2,585,260
			2012 2013 2014	8 \$ 8,003,57 8 \$ 2,997,26 8 \$ 3,946,37	3 \$ 0 \$ 8 \$	- \$	- \$ 4,262,000 - \$ 2,585,260 - \$ 3,275,207
			2012 2013	\$ 8,003,57 \$ \$ 2,997,26 \$ \$ 3,946,37 \$ \$ 27,00	3 \$ 0 \$ 8 \$	- \$ - \$	- \$ 4,262,000 - \$ 2,585,260 - \$ 3,275,207
			2012 2013 2014 2015	. \$ 8,003,57 \$ 2,997,26 \$ 3,946,37 \$ 27,00 \$ -	3 \$ 0 \$ 8 \$ 0 \$	- \$ - \$ - \$ - \$ - \$	- \$ 4,262,000 - \$ 2,585,260 - \$ 3,275,207 - \$ 458,026 - \$ -
			2012 2013 2014 2015 2016 2017 2018	\$ 8,003,57 \$ 2,997,26 \$ 3,946,37 \$ 27,00 \$ - \$ - \$ -	3 \$ 0 \$ 8 \$ 0 \$ 8 \$ 0 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	- \$ - \$ - \$ - \$ - \$ - \$	- \$ 4,262,000 - \$ 2,585,260 - \$ 3,275,207 - \$ 458,026 - \$ - - \$ -
			2012 2013 2014 2015 2016 2017 2018 Future	\$ 8,003,57 \$ 2,997,26 \$ 3,946,37 \$ 27,00 \$ - \$ - \$ - \$ -	3 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$ 0 \$	*	- \$ 4,262,000 - \$ 2,585,260 - \$ 3,275,207 - \$ 458,026 - \$ - - \$ - - \$ -
			2012 2013 2014 2015 2016 2017 2018 Future	\$ 8,003,57 \$ 2,997,26 \$ 3,946,37 \$ 27,00 \$ - \$ 5 \$ 5 \$ 5 \$ 5 \$ 26,301,67	3 \$ \$ 0 \$ \$ 8 \$ \$ 0 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	- \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$	- \$ 4,262,000 - \$ 2,585,260 - \$ 3,275,207 - \$ 458,026 - \$ - - \$ -
			2012 2013 2014 2015 2016 2017 2018 Future	\$ 8,003,57 \$ 2,997,26 \$ 3,946,37 \$ 27,00 \$ - \$ - \$ - \$ -	3 \$ \$ 0 \$ \$ 8 \$ \$ 0 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	- \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$	- \$ 4,262,000 - \$ 2,585,260 - \$ 3,275,207 - \$ 458,026 - \$ - - \$ - - \$ -
Milestones (high level of February-08 December-11 December-12 December-13 December-14	targets) Project Started year end actual year end actual year end actual year end actual		2012 2013 2014 2015 2016 2017 2018 Future	\$ 8,003,57 \$ 2,997,26 \$ 3,946,37 \$ 27,00 \$ 5 \$ - \$ - \$ - \$ - \$ 26,301,67	3 \$ \$ 0 \$ \$ 8 \$ \$ 0 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	- \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$	- \$ 4,262,000 - \$ 2,585,260 - \$ 3,275,207 - \$ 458,026 - \$ - - \$ - - \$ -
February-08 December-11 December-12 December-13	Project Started year end actual year end actual year end actual year end actual	Forecast	2012 2013 2014 2015 2016 2017 2018 Future Total	\$ 8,003,57 \$ 2,997,26 \$ 3,946,37 \$ 27,00 \$ 5 \$ - \$ - \$ - \$ - \$ 26,301,67	3 \$ \$ 0 \$ \$ 8 \$ \$ 0 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	- \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$	- \$ 4,262,000 - \$ 2,585,260 - \$ 3,275,207 - \$ 458,026 - \$ - - \$ - - \$ -
February-08 December-11 December-12 December-13 December-14  Associated Ers (list all appl	Project Started year end actual icable): 5106	Forecast	2012 2013 2014 2015 2016 2017 2018 Future Total	\$ 8,003,57 \$ 2,997,26 \$ 3,946,37 \$ 27,00 \$ 5 \$ - \$ - \$ - \$ - \$ 26,301,67	3 \$ \$ 0 \$ \$ 8 \$ \$ 0 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	- \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$	- \$ 4,262,000 - \$ 2,585,260 - \$ 3,275,207 - \$ 458,026 - \$ - - \$ - - \$ -
February-08 December-11 December-12 December-13 December-14  Associated Ers (list all appl	Project Started year end actual icable): 5106	Forecast	2012 2013 2014 2015 2016 2017 2018 Future Total	\$ 8,003,57 \$ 2,997,26 \$ 3,946,37 \$ 27,00 \$ 5 \$ - \$ - \$ - \$ - \$ 26,301,67	3 \$ \$ 0 \$ \$ 8 \$ \$ 0 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	- \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$	- \$ 4,262,000 - \$ 2,585,260 - \$ 3,275,207 - \$ 458,026 - \$ - - \$ - - \$ -
February-08 December-11 December-12 December-13 December-14  Associated Ers (list all appl	Project Started year end actual icable): 5106	Forecast	2012 2013 2014 2015 2016 2017 2018 Future Total	\$ 8,003,57 \$ 2,997,26 \$ 3,946,37 \$ 27,00 \$ 5 \$ - \$ - \$ - \$ - \$ 26,301,67	3 \$ \$ 0 \$ \$ 8 \$ \$ 0 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	- \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$	- \$ 4,262,000 - \$ 2,585,260 - \$ 3,275,207 - \$ 458,026 - \$ - - \$ - - \$ -
February-08 December-11 December-12 December-13 December-14	Project Started year end actual icable): 5106	Forecast	2012 2013 2014 2015 2016 2017 2018 Future Total	\$ 8,003,57 \$ 2,997,26 \$ 3,946,37 \$ 27,00 \$ 5 \$ - \$ - \$ - \$ - \$ 26,301,67	3 \$ \$ 0 \$ \$ 8 \$ \$ 0 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	- \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$	- \$ 4,262,000 - \$ 2,585,260 - \$ 3,275,207 - \$ 458,026 - \$ - - \$ - - \$ -
February-08 December-11 December-12 December-13 December-14  Associated Ers (list all appl	Project Started year end actual icable): 5106	Forecast	2012 2013 2014 2015 2016 2017 2018 Future Total	\$ 8,003,57 \$ 2,997,26 \$ 3,946,37 \$ 27,00 \$ 5 \$ - \$ - \$ - \$ - \$ 26,301,67	3 \$ \$ 0 \$ \$ 8 \$ \$ 0 \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$	- \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$	- \$ 4,262,000 - \$ 2,585,260 - \$ 3,275,207 - \$ 458,026 - \$ - - \$ - - \$ -



Resources Requirements:	(request forms a	nd approvals attached)							
Internal Labor Availability: Contract Labor:	Low Probability	☐ Medium Probability ☐ NO	High Probablity	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	☐ NO or Not Required			
Key Performance Indicato Expected Performance Improve KPI Measure:	ments Fill in the name	e of the KPI here e of the KPI here		研究 (1) 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1					
1000 Outage l		$\wedge$		Prepared	signature				
Target 600 — Project E	O Rate			Reviewed	signature	Di	rector/Manager		
200		This graph is to provide a	place to direct	Other Party Review	v signature	Navaris	tuens	2000,	
2004 2005	2006 2007	the KPI benefit. Providin recommended to help co what the project is inten-	g a graph is ommunicate	(if necessary)	)	Di	rector/Manager		
	This space is	to be used for photog	graphs, charts, (	or other data that ma	y be useful in eva	ulating the project			
To be completed by Ca Rationale for decision	pital Planning	Group					Review Cycles		
							2012-2016		
					Date		Template		

Functional Group: Enterprise Technology

Business Case Name: Microwave Refresh

ER No: ER Name:

5121 Microwave Replacement with Fiber

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$6,2441

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	653	-	-	-	-	-	-	-	-	-	125	13	514
2015	2,363	-	-	591	-	-	591	-	-	591	-	-	591
2016	3,050	-	-	763	-	-	763	-	-	763	-	-	763

### **Business Case Description:**

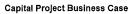
The purpose of this project is to refresh the aging microwave technology with current technology to provide for high-speed data communications. These communication systems support relay and protection schemes of the electrical transmission system.

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Microwave Refre	sh	22 204 022							
Requested Amount Duration/Timeframe	\$ 7	Year Project	23,204,063	Assessments:	10,50%					
Dept, Area:	Enterprise Techno		n Roden Branch ster	Strategic:	Reliability & ca	pacity				
Owner:	Jacob Reidt/Jim C			Business Risk:	Business Risk		ion >5 and	<= 10		
Sponsor:	Jim Kensok		17 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	Project Risk:				schedule and resou	ırces	
Category:	Project									
Mandate/Reg. Reference:	n/a			Assessment Score:	84	10 be 11 cm	Annual Cost	Summary - Increase	e/(Decrease)	
Recommend Project Descri	iption:				Performance	Сар	Ital Cost	O&M Cost	Other Costs	Business Risk Score
The purpose of this project provide for the high speed protection schemes of the	data communicatior	ns. These commun			The current system are out of date and in need of replacement	\$	8,400,000	\$ 840,000		8
					A Policia Company	- TANKOVEDWING	No. 175 et 1770 p. 177	Summary - Increase		
Alternatives:					Performance	**************************************	ital Cost	O&M Cost	Other Costs	Business Risk Score
And the profit of which the first of the contract of the first of the	Remaining at the st critical communicat Avista's transmissio needs.	ion systems, which	n could have sign		n/a	\$			\$ 1,000,000	15
Alternative 1: Brief name	The purpose of this	project is to refres	h the aging micr	owave technology	The current	\$	8,400,000	\$ 840,000	\$ -	8
of alternative (if applicable)	Expression of the property of	on systems suppor		data communications, ection schemes of the	system are out of date and in need of					
Alternative 2: Brief name of alternative (if applicable)	Describe other opti	ons that were cons	idered		describe any incremental changes in operations	\$		\$		0
Alternative 3 Name : Brief name of alternative (if applicable)	Describe other opti	ons that were cons	idered		describe any incremental changes in operations	\$		\$	\$	0
Program Cash Flows	Capital Cost	O&M Cost	Other Costs	Approved	1	Accorda	tad Fre Iliet	all applicable):	process page 6000	
Previous	\$ 2,910,116	mental permanent and permanent of the	\$ -	\$ 2,910,116		- CSOCIA	5119			12 May 2011
2012		\$ -	\$ -	\$ 1,200,000						
2013	\$ 1,500,000	\$	\$ -	\$ 1,500,000		10 06653				
2014	\$ 1,657,391	\$ -	\$ -	\$ 917,462						
2015	\$ 2,276,679	\$ -	\$ -	\$ 2,276,679						
2016		\$ -	\$ -	\$ 3,050,000						SESTEMATE SERVICE
2017		\$ -	\$ -	\$ 3,050,000						
2018	\$ 4,100,000	\$ -	\$ -	\$ 4,100,000						N.
2019 2020+	\$ 1,050,000	\$ - \$ -	\$ - \$ -	\$ 5,100,000						
Total	\$ 23,204,063	\$ -	\$ .	\$ 24,104,257				•	•	
ER	2015	2016	2017	2018	2019	C-MASON CHESTON	Total	Mandate Excerpt (i		
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0	\$ -	\$ -	\$ -	\$	\$ -	\$			ary information tha	
	\$ -	\$ - \$ -	<u>\$</u> -	\$	\$ -	\$	•	describing in mor	e detail the nature	of the Project, the
0 0 0 0 0	\$ -	\$ - \$ -	\$ - \$ -	\$ - \$ -	\$ -	\$			urgency, etc.	
	\$ .	\$ -	\$ -	\$ -	\$ -	\$				
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Total	\$ -	\$ -	\$	\$ -	\$ -	\$				
Milestones (high level ta December-11 December-12 December-13 December-11 December-12 December-13	rgets) NLW-SHN Prior NLW-SHN 2012 NLW-SHN 2013 M23-SPU Prior M23-SPU 2012 M23-SPU 2013		December-13 December-12 December-13	M15-NLW 2012 M15-NLW 2013 Fiber to Lew Off 20' Fiber to Lew Off 20' Missing row in Actua MW to Fiber	13	Dece Dece Dece Dece	ember-18 ember-19	MW to Fiber MW to Fiber MW to Fiber MW to Fiber MW to Fiber MW to Fiber		

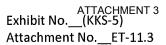


ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_ET-11.2

Austa

Resources Requirements: /	request forms and i	approvals attached)			4.5		100 100		Arrens and the second of the s
Internal Labor Availability: Contract Labor:	☐ Low Probability ☐ YES	☐ Medium Probability ☐ NO	☐ High Probability	Enterprise Tech: Facilities:	YES - attach form	□ NO or Not Required □ NO or Not Required	Capital Tools: Fleet:	YES - attach form	NO or Not Required NO or Not Required

### Capital Project Business Case





	•		
Key Performance Indicator(s)			
Expected Performance Improvements KPI Measure: Fill in the name of the KPI here			
KPI Measure: Fill in the name of the KPI here Fill in the name of the KPI here			
1000			
800 Hours	Prepared	signature	
Base Line			
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	Reviewed	signature	
400		Director/Manager	
200		The String	
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		A STATE OF THE STA	
This space is to be used for photographs, charts, or other data th	at may be useful in ev	aulating the Project	
		·	
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To be completed by Capital Planning Group			
Rationale for decision		Review Cycles 2012-2016	
		Z012-201p	
	Date	Template	

Functional Group: Electric Transmission / Distribution

Business Case Name: Colstrip Transmission Capital Additions

ER No: ER Name:

2214 Colstrip Transmission-PNACI Capital Additions

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$ 1,357 1

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	75	-	-	-	-	-	-	-	-	-	8	24	44
2015	491	41	41	41	41	41	41	41	41	41	41	41	41
2016	497	41	41	41	41	41	41	41	41	41	41	41	41

### **Business Case Description:**

This program is for capital replacement and upgrades and for O&M expenses for the jointly owned 500 kV Colstrip Transmission System. Program funding is used as transmission assets reach the end of their useful lives, requiring replacement or increased capacity. The program can also be used to accommodate necessary upgrades due to new interconnection requests on these facilities. Under the Colstrip Project Transmission Agreement (among Avista, Northwestern Energy, PacifiCorp, Portland General Electric and Puget Sound Energy), Avista is obligated to fund capital and O&M expenses commensurate with Avista's ownership share in these facilities. Such facilities include hardware, software, and operating system upgrades, as well as deployment of capabilities to meet new operating standards and requirements. Some system upgrades may be initiated by other requirements, including NERC reliability standards, growth, and third-party projects (e.g. transmission or generation interconnections under FERC regulations). Examples of upgrades to be completed under this program in the next 2 years are: 500 kV breaker replacement at Colstrip Substation, 500 kV communication replacement (OPGW Project) between Broadview and Colstrip to meet required dual communication paths under NERC standards, 500 kV relay upgrades at Broadview and 500 kV tower erosion mitigation.

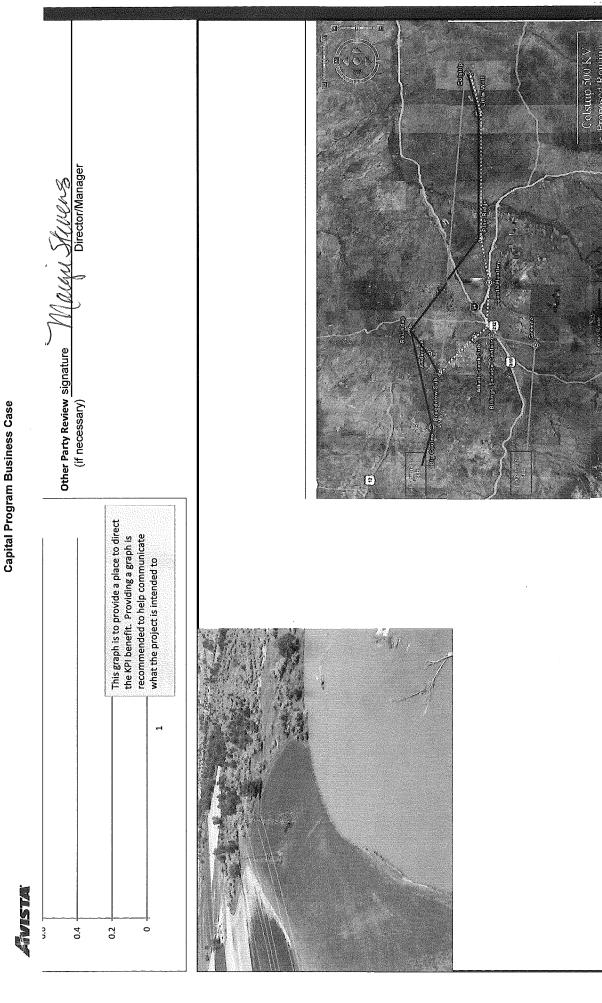
#### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

# SISE SISE

	Requested Amount \$491,434	\$491,434  \$491,434  20 Year Program Transmission Jeff Schlect/Heather Rosentrater Don Kopczynski Program Program Cription: splacement and for O&M expenses for symm funding is used as transmission ander the Colstrip Project Transmission efform portland Ganara Flactric and	20 Year Program sather Rosentrate  ki  n O&M expenses for own stransmission Project Transmission	er for the jointly owner assets reach end-o ion Agreement (amo	Assessments: Financial: Strategic: Business Risk: Program Risk: Assessment Score: d 500 kV Colstrip d-Filfe, requiring ong Avista,	7.00% Reliability & capacity Business Risk Redu High certainty aroun #NAME?  #norowed Improved Sperformance, upgraded	7.00% Reliability & capacity Business Risk Reduction >10 and <= 15 High certainty around cost, schedule and #NAME? Annual Cost Summs Performance Capital Cost Improved \$ 491,434 \$ performance, upgraded	Reliability & capacity Business Risk Reduction >10 and <= 15 High certainty around cost, schedule and resources  #NAME? Annual Cost Summary - Increase/(Decrease) Performance Capital Cost 0&M Cost Other College of 491,434 \$ 329,778 \$ performance, upgraded	re/(Decrease) Other Costs	Business Risk Score 4
	Affernatives: Unfunded Program:	Non-compliant oper audit findings, finand contract with other; service until failure.	ational capabil cial penalties, i joint owners.	ilities and practices v and litigation expen Obsolete equipmen	would result in negative ses due to breach of t would remain in	V)	Capital Cost	OSM COST	Other Costs	16 The second se
Performance   Capital Cost   O&M Cost   Business	ative 1: Brief name emative (if able)	Describe other optic	ons that were c	considered		describe any incremental changes in operations	٠,	w	<b>×</b>	4
Non-compliant operational capabilities and practices would result in negative   Severe negative   Se	ative 2: Brief name emative (if able)	The state of the s	ons that were c	considered		describe any incremental changes in operations	\$	·		0
Non-compliant operational capabilities and practices would result in negative Severe negative	ative 3 Name: Brief of alternative (if able)		ons that were c	considered		describe any incremental changes in operations	\$	S THE STATE OF THE	<b>√</b>	0
Non-compliant operational capabilities and practices would result in negative Severe negative newtheoretic negative newtheoretic negative service until failure.    Contract with other joint cowners. Obsolete equipment would remain in compliance impacts   Compliance   Comp	am Cash Flows	Capital Cost	O&M Cost	t Other Costs	Approved		Associated Ers (list	all applicable):		
Performance   Capital Cost   ORM Cost   Other Costs	Previous	ۍ د					22/4	Service Control of the Control of th		
Non-compliant operational capabilities and practices would result in negative sever negative \$ - \$ - \$ - \$ - \$ - \$ and findings, financial penalties, and litigation expenses due to breach of contract with other joint owners. Obsolete equipment would remain in service until failure.  Describe other options that were considered capabilities and practices other options that were considered capabilities and practices of capabilities and practices of capability and contract with other joint owners. Obsolete equipment would remain in clearing service until failure.  Describe other options that were considered capabilities and practices of capabilities	2014	w w								
Non-compliant operational capabilities and practices would result in negative Severe negative \$ -	2016	\$ 496,535		-						
Performance   Capital Cost   Other Costs	2017	\$ 515,928	\$ 295,977	100,030	10 May 10					

	2018 \$	591,507	\$ 2		\$	\$	591,507				
	2019 \$	421,521		292,209	- \$	\$	421,521				
	2020+ \$	•	\$	107027	- \$	\$					
	Total \$	2,885,812		1,910,168	, ,	\$	2,885,812	3			
ER		2015	2016	91	2017		2018	2019	Total	Mandate Excerpt (if applicable):	
2214	\$	10.450 (10.00)	\$		- \$	\$		- \$	\$	NERC reliability standards are being continually developed	
0	\$	•	\$		\$	\$		\$	<b>\$</b>	and revised. New and revised standards are expected to	
0	\$		\$		\$	\$		\$	\$	address emergency operations, transmission operations,	
0	\$	-	\$		\$	\$	-	- \$	- \$	critical infrastructure protection, communications, and	33.4
0.1	\$		\$		- \$	\$	t	\$	\$	balancing authority operations.	
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0	φ.		\$		\$	\$		- \$	-	Additional Justifications:	
0	\$		\$		- \$	\$		- \$	\$	This program is for capital replacement and upgrades and	
	\$	1	\$		- \$	\$		\$	\$	for operations and maintenance expenses for the jointly	
0	S	•	\$		\$	\$	1	- \$		owned 500 kV Colstrip Transmission System. Cuts to this	
0	\$	1	\$		- s	Ş	1	\$	- S	program need to be closely evaluated to assure that	
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0	\$	1.0015/10115/2010/01/01	Ş		-	. \$	•	. \$		That Avista would not be in heach of contract with other	
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Resources Requirements: (request forms and opprovals attached)	nents: (reque	est forms and a	ıpprovals a	ttached)							
Internal Labor Availability: Contract Labor:		□Low Probability ☑YES	Medium Probability		✓ High Probablity	Enterprise Te Facilities: Capital Tools:	Enterprise Tech: Facilities: Capital Tools:	YES - attach form YES - attach form YES - attach form			
						Fleet:		YES - attach form	✓ NO or Not Required	(this does not require a firm commitment).	
Key Performance Indicator(s) Expected Performance Improvements	idicator(s)										
KPI Measure:		Fill in the name of the KPI here	the KPI her	a		238					
		Fill in the name of the KPI here	the KPI her	ð		Tage 1					
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0.8	**************************************	रेशक						Keviewed	signature	Director/Manager	
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Review Cycles	2012-2016	Template					
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ng Group							
To be completed by Capital Flamming Group  Rationale for decision							
Nationale for decision							

Functional Group: Electric Transmission / Distribution

Business Case Name: Distribution Grid Modernization

ER No: ER Name:

2470 Dist Grid Modernization

2570 Sandpoint Grid Modernization Project

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$31,5861

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	4,252	-	-	-	-	-	-	-	-	-	1,082	670	2,500
2015	10,925	557	467	529	585	665	743	823	733	740	710	617	3,757
2016	11,000	539	469	513	576	692	678	705	725	730	744	583	4,044

#### **Business Case Description:**

The Distribution Grid Modernization Program provides value to customers and shareholders by improving grid reliability, energy savings and operational ability through a systematic and managed upgrade of our aging distribution system. This program seeks cost effective opportunities to increase service quality performance and system availability through the identification of locations that would benefit from the addition of switched capacitor banks, regulators and smart grid devices. The long-term plan represented by the IRR of 6.4% aims to upgrade 6 feeders per year to cover the whole distribution system in a 60 year cycle. This coordinates well with Wood Pole Management's 20 year cycle such that every third planned maintenance trip to a feeder would be an upgrade, expanding Wood Pole Management's scope. The average cost to rebuild each feeder is estimated to be \$3.5M.

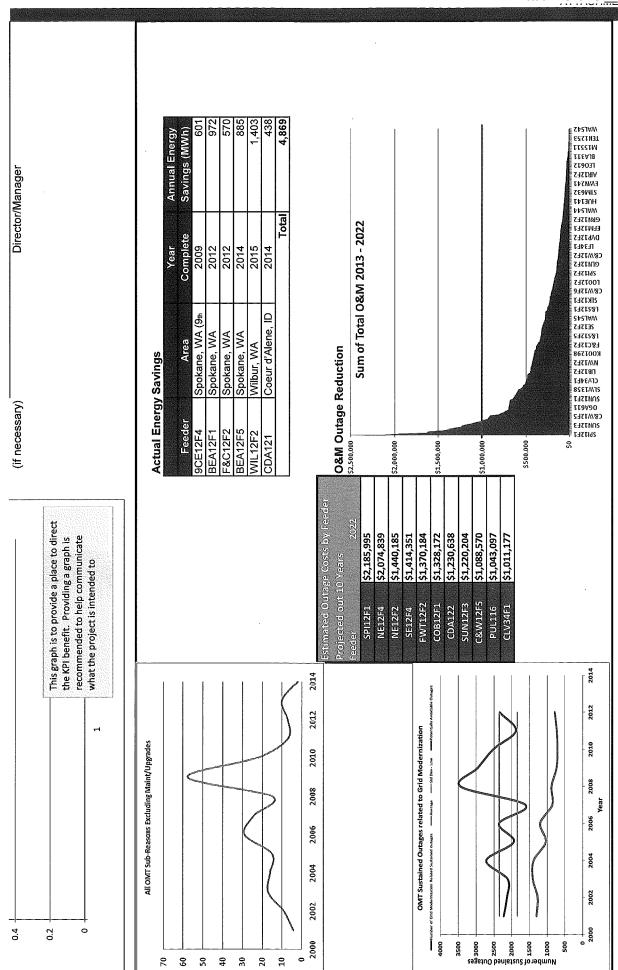
#### Offsets

O&M offsets associated with this business case may occur in the future, however, they are not quantifiable at this time.

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

	ar Program   Financial: MH - >= 9% & <12% CIRR	Strategic Life-cycle asset management	Business Risk:	Program Risk: High certainty around cost, schedule and resources	Assessment Score: 133 Annual Cost Summary - Increase/(Decrease)	Performance Cap	5 21,000,000 \$ - \$ 198,000	Annual Cost Summary - Increase/(Decrease)	Performance   Capital Cost   O&M Cost   Other Costs   Business Risk Score	5 1,980,000	The Dist Grid Modernization Program provides benefits to customers, cuthor and shareholders by replacing problematic poles, cross-arms, cuthorts, transformers, conductor, etc. In addition, adding switched capacitor banks and smart grid devices is of benefit due to increased energy efficiency	를 고 5 6	that were considered describe any incremental changes in coperations		Other Costs Approved Associated Ers (list all applicable)	Dist Grid Moderniz 2470	188 CONTRACTOR OF THE PROPERTY	1,000,000	\$ (100,000)		
			Busi	Prog	Asse		mers and shareholders by imic and managed upgrade of concrease service quality per senefit from the addition of sited by the IRR of 6.4% aims ycle. This coordinates well wis estimated to be \$3.5M.			ddress of conductors, reα is that benefit the perforn	am provides benefits to c eplacing problematic pole . In addition, adding switr benefit due to increased ε	considered	considered		Other Costs	_	-	-	-	v. v	
Distribution Grid Modernization	Year Program	ngineering	leui	mski			provides value to custo nility through a systemat effective opportunities to of locations that would the long-term plan represer on system in a 60 year of t to rebuild each feeder			ic plan for wholistic ar cess, or adding device	I Modernization Progrand shareholders by rimers, conductor, etc	er options that were i	er options that were i			7,308,357 \$	-			∙s v	
Distribution Gri	Indefinite	Electrical Engineering	Troy A. Dehnel	Don Kopczynski Program		scription:	nization Program nd Operational Ab gram seeks cost e he identification o grid devices. The whole distribution. The average cos			No systemati for better acc feeder.	VAR HAND SANCES	35-35-37-37-37-37-37-37-37-37-37-37-37-37-37-	if Describe oth		Capi	\$	٠,	\$.	ş	13,000,000	٧
Investment Name:	Duration/Timeframe	Dept, Area:	Owner:	Sponsor: Category:	Mandate/Reg. Reference:	Recommend Program Description:	The Distribution Grid Moder Reliability, Energy Savings an distribution system. This pro, system availability through the banks, regulators and smart feeders per year to cover the Management's 20 year cycle.	- SANAHANNI CANTILL LA GUAR D'ARGRANANA	Alternatives:	Unfunded Program:	Alternative 1: Brief name of alternative (if applicable)	Alternative 2: Brief name of alternative (if applicable)	Alternative 3 Name: Brief Describe other options that were considered name of alternative (if applicable)	Program Cash Flows	Alexa Cells (3A) — All Hill (All (1600) tour parties of cartinum by the cartin	Previous	2014	2015	2016	2017	9102

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	Mandate Excerpt (if applicable):	provide brief citation of the law or regulation and a	reference number if possible						Additional Justifications:	Any supplementary information that may be useful in	describing in more detail the nature of the Project, the	urgency, etc.							Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm committment).							Director/Manager		Manya Stevens
	Total		65,000,000				1000 1000 1000 1000 1000 1000 1000 100		<u>Ā</u>						- Carlotte All Control			65,000,000	NO or Not Required NO or Not Required NO or Not Required NO or Not Required			signature			signature		,	nature
	2019	\$ - \$	\$ 15,000,000 \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$] - \$	\$ - \$	\$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ - \$	\$ 15,000,000 \$	☐YES - attach form☐YES - attach form☐YES - attach form☐YES - attach form☐YES - attach form			Prepared SIG			Reviewed sig			Other Party Review signature
81.894.357	2018		15,000,000			100011000000000000000000000000000000000						•		T. C.			1	15,000,000	Enterprise Tech: Facilities: Capital Tools: Fleet:									Oth
\$ - \$	2017	\$ - \$	\$ 13,000,000 \$	\$ - \$	\$ - \$	100	\$ - \$	\$  - \$	-	\$ - \$			•	\$ - \$	\$ - \$	• 100 Market 100	\$ - \$	\$ 13,000,000 \$	☑High Probablity Ent Fac Cap									
S	2016	- \$	\$ 11,000,000		<b>-</b> \$		•	<b>-</b> \$		\$	4	L			- \$			11,000,000	☐ Medium Probability   ☐ NO	The second secon	ne KPI here							
\$ 21,000,000 \$ 101,994,376	2015	- \$	\$ 11,000,000	\$	\$	\$	<b>)-</b> \$	\$	\$	\$		\$	<u>-</u>	\$	<b>.</b>	- \$		\$ 11,000,000	Low Probability	s) eerts EVM, CPI, SPI	Fill in the name of the KPI here					Project FO Rate	#REF!)	
2020+ Total	ER	Dist Grid Modernization	2470	WHO 21 17 19 19 19 19 19 19 19 19 19 19 19 19 19	0	0				0	0	0		0	0	0		Total	Internal Labor Availability: □Low Probability □No Contract Labor: ☑NES □No	Key Performance Indicator(s) Expected Performance Improvements KPI Measure:		1.2	#REF!	1#REE!	**************************************	0.8Project	0.6	



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Functional Group: Electric Transmission / Distribution

**Business Case Name:** Distribution Line Protection

ER No: ER Name:

2276 Distribution Line Protection

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$5001

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	147	-	-	-	-	-	-	-	-	-	12	114	21
2015	125	1	1	4	4	18	18	18	20	20	20	3	-
2016	125	1	1	4	4	18	18	18	20	20	20	3	-

#### **Business Case Description:**

Avista's Electric Distribution system is configured into a trunk and lateral system. Lateral circuits are protected via fuse-links and operate under fault conditions to isolate the lateral in order to minimize the number of affected customers in an outage. Engineering recommends treatment of the removal and replacement of Chance Cutouts, the removal and replacement of Durabute cutouts and the installation of cut-outs on un-fused lateral circuits. This is a targeted program to ensure adequate protection of lateral circuits and to replace known defective equipment.

#### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Distribution Line			Assessments:	·		Augustin mente was a		
Requested Amount Duration/Timeframe	875,000 5-years On-going	Year Program		Financial:	MH - >= 9% &	<12% CIRR			
Dept, Area:	Engineering			Strategic:	Life Cycle Pro	VANAGORIA TOMOGRAPHICA CONTRACTOR			
Owner:	Dave James			Operational:	Operations rec	quire execution to	perform at current	levels	
Sponsor:	Kopczynski/Fishe	<b>r</b> 1 - 3 - 1 - 1 - 1 - 1 - 1 - 1		Business Risk:		on >5 and <= 10			
Category:	Program	2.5		Program Risk:	Part 1000 Canal Ca	ainty around cost,			
Mandate/Reg. Reference:	n/a			Assessment Score:	93	Annual Cos	t Summary - Increas	e/(Decrease)	
Recommend Program Desc	ription:				Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Avista's Electric Distribution protected via fuse-links and affected customers. Engine	operate under fault	conditions to isola	te the lateral mir	nimize the number of	Investments necessary to maintain	\$ 250,000	\$ 10,000		8
of Chance Cutouts 2. Remov lateral circuits. This is a tark known defective equipment	val and replacement geted program to en	of Durabute cutou	ts 3. Installation	of cut-outs on unfused	current operations and to extend the life of current assets.				
					•	Annual Cos	t Summary - Increas	e/(Decrease)	
Alternatives:					Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Unfunded Program:					n/a	\$ 100 miles (100 miles) (100 m		\$	15
Alternative 1: Brief name of alternative (If applicable)	Describe other opti	ons that were cons	idered		describe any incremental changes in operations		\$ 1000	\$	8
Alternative 2: Brief name of alternative (if applicable)	Describe other opti	ons that were cons	idered		describe any incremental changes in operations	<b>\$</b>		\$	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other opti	ons that were cons	idered		describe any incremental changes in operations	\$ 1000000000000000000000000000000000000	\$	\$	0
Program Cash Flows					Associated Fre	(list all applicable):			
5 years of costs	12 12 13 14 14 14 14 14				Current ER				
	Capital Cost	O&M Cost	Other Costs	Approved	2416	System Wide			16000000000000000000000000000000000000
2013	\$ 250,000	\$ 5,000	\$ -	\$ 250,000				ESECTION AND SERVICE	ectorestivite clicket
2014	\$ 250,000	\$ 10,000	\$ -	\$ 250,000					
2015	\$ 125,000	\$ 10,000	\$ -	\$ 125,000					
2016	\$ 125,000	\$ 10,000	\$ -	\$ 125,000					
2017		\$ 5,000	\$ -	\$ 125,000					
2018		\$ -	\$ -	\$ 125,000					
2019	A	\$ -	\$ -	\$ 125,000					
Total	\$ 875,000	\$ 40,000	<b>  \$</b>	\$ 1,125,000					
Mandate Excerpt (if applica	ible);								
\$ 1000 p \$ 1000 p \$ 2000 p \$ 2									
Additional Justifications:									
This program was funded fo	or a 2-year period in	the 2009-2010 tim	eframe. This req	uest allows for complet	ion of the Chanco	e cutout replacemen	ts but also includes	the installation of de	vices on unfused
Resources Requirements: (	request forms and a	pprovals attached)							
Internal Labor Availability: Contract Labor:		☐ Medium Probability ☑ NO	☑ High Probablity	Enterprise Tech: Facilities: Capital Tools: Fleet:		✓ NO or Not Req ✓ NO or Not Req	uired labor boxes uired resource ov uired a general se	ppropriate box. The li should be checked to mers have been conta nse of how likely staff ot require a firm com	indicate if the cted and to provide will be provided



Key Performance Indicator(s)

Expected Performance !	mprovements		
KPI Measure:	# Cutout Replacement		
	# New Cutout Installation		
		Prepared	signature
		Reviewed	signature
			Director/Manager
		Other Party Review	w signature Many Sawans
		(if necessary	y) Director/Manager

	Spokane, N & W		CDA and E
This space is to be used for photographs, charts,		BKR 12F3 Record 1 ml	Sandpoint 4S22 - Record 0.7 ml
,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	Roxboro 751 - Reinf 2.5 mi	MIL 12F2 Record 0.5 ml	Old Town - Dx Tie Recond
	S Othelo 521 - Recond	Colvile 34F1 - Hwy 25N Record	Dalton 131 Record 1.5 mi
	Long Lake - Ony OH to UG (USFWS)	Gifford 34F1 - Replace Neutral	Dalton 131 - Record 1.4 mi
	3HT 12F2-Waste Water	Orin 12F3-Record 2.4 ml	Avondale 151 - Record 1.5 ml
	Monroe St Secondary Ckt. Record	Colvise 12F2 - Record 2 ml	Daton 131 - Recor 0 8 mi (lakeshore)
	Milwood 12F4- Record 0.5 ml	Colville 12F2 - Record 4 7 ml Oakshot	Daton 133 - Add 1-ph 3.1 miles
	Colbert 12F1 - Record 4/D ACSR	CHW12F2 - Record 0.25 ml - town	PF 213 - Record 1 2 ml Riverbend Pk
	NE 12F2 - Tie to NE 12F4	CHW12F2- Angel Pk Recond 0 75ml	Dalton 134- Coldwater Ck Loop
	SE 12F2 - Tower MT	Orin 12F1 and Cdv 12F2 Viper Midline	Pleasant View 241 - Ext 1 ml
	Liberty Lk 12F2 - Henry Rd Tie	GRN12F1 Tie to CLV12F2 4.5 ml	Blue Ck 321- Record 1.2 m)
	NE 12F1 Record & Split FDR	GIF 34F1 - CHW 12F3 FDR Tie	Daton 131 - Extend 0.5 ml
	9CE 12F4 - Record 366	Orin 12F2 - Record 1.2 ml	Pine Ck 424- Record 1 ml
	Fort Wright 12F1- Record 1 ml	GRN12F2 Record 4 1 Mi Old Kettle Rd	Wallace 542 - Relocate 1.5 ml to bike tr
	Deer Park 12F2 - Record 2/0 ACSR	CLV12F4 Recond 1.6 mi	Ogara 611 - Record 1 5 m
	NE 12F2 - Tie to WAK 12F3	KET12F2 - Chg FDR Voltage to 13.2 kV	Rathdrum 233- UG 1 ml (Syfte Ranch)
	Barker 12F2 - Tie to EFM 12F1	CLV34F1- Kelly Hill Rb/d	Lucky Fil 552 - Add FDR
	East Farms 12F1 - Recond 1.5 Mi	CHW12F2- Flowery Trail Record	CDA - Osprey mitgation
	Fort Wright 12F4 - Record 900'	G1F34F182, CLV34F1-3 Midlines	Huetter 142 - Extend 3ph 0.5 ml
	9CE 12F1 - Tie to BEA 12F6	Colvile Area Switched Banks	Blue Ck-321 Record 3 ml
	9CE 12F2 - Tie to Chester 12F2		Lakeview 343 - Conv 6 mi to UG
	5:Iver Lk 12F1 - Record 2.1 ml		Wallace 544-Record for Star Mine
	Third & Hatch 12F1 - Tie to 12F7		Palouse & L/C
	C&W 12F4 - Tie to 3HT 12F7		Heibrook 1206 - Record 3700'
	Chester 12F4 - Record 1.75 ml		Orofine 1281
	9CE 12F3/Bea 12F1 - Record 1 mi		10th&Stewart 1253 lie to 1256
	Sunset 12F1- Record 1.5 ml		10th&Stewart 1253 - 1 mi record & regs
	9CE 12F1- Tie to 9CE 12F3 Brotwy 0.5 mi "		S Lewiston 1358 Extend
	MIL 12F1 Record 1/0 CU 0 8 mi	•	CFD 1210 - Recond #6 CU
	CHE 12F3 Record 2/0 CU 3 mi		Palouse 312 - Add Phase
	BKR 12F3 Record 2/0 ACSR 1 ml		Moscow 515 tie to 512
			Ewan 241 Midline Regs

ationale for decision		Review Cycles
	15 3 5 5	Company of the Compan
	Date	Template

Functional Group: Electric Transmission / Distribution

**Business Case Name:** Distribution Minor Rebuild

ER No: ER Name:

2055 Electric Distribution Minor Blanket

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$24,900 1

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	1,545	-	-	-	-	-	-	-	-	-	577	346	621
2015	8,300	875	672	640	664	684	644	879	622	636	677	684	623
2016	8,300	876	672	640	664	684	644	879	622	636	677	684	622

### **Business Case Description:**

This program is for distribution minor rebuild as requested by the customer or initiated by Avista. Examples of construction work includes replacing meters, services, transformers, primary overhead or underground lines, or devices. This also includes addressing trouble related jobs (i.e. replacing burnt or damaged poles).

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



	Distribution Min	or Bobuild	NOTES AND AND ARREST	1					1
Investment Name:	\$	IOI Kebund	8 300 000	Assessments:					
Requested Amount Duration/Timeframe	On-Going	Year Program	0,000,000	Financial:	7.00%				
	Operations	real Flogram		Strategic:	Reliability & ca	nacity			
Dept, Area:				-		Reduction >15			
Owner:	Bryan Cox Don Kopczynski			Business Risk: Program Risk:		ainty around cost,	schedule and reso	NICOS	
Sponsor: Category:	Program			Flogram Nisk.	Woderate Certe	anity around cost, s	scriedule allu lest	/urces	
Mandate/Reg. Reference:				Assessment Score:	102	Annual Cost	Summary - Increa	ro//Dogranos)	
Recommend Program Des				Assessment score.	and the second s		T .		B
metical way concentrated and a second second		4 (1.4)		Caralla Astro	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program is for distribu		and the second of the control of the			describe any	\$ 8,300,000	\$ -	\$ -	4
Examples of construction w					Incremental				
underground lines, or device	ces. This also includ	ies addressing trou	pie related Jobs (i	.e. replacing burnt or	changes that				
damaged poles).					this Program				
					would benefit		SELECTION OF		
					present				
					operations				
			MONTH OF STATE OF STA				Summary - Increas		
Alternatives:					Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:				minor rebuild jobs to	n/a	\$ -	\$ -	\$ -	20
				cludes responding to					
		re would be potenti	al public safety is	sues if our crews do					
	not repsond.								40.55
Alternative 1: Brief name	Describe other op	tions that were con	sidered		describe any	\$ -	\$ -	\$ -	4
of alternative (if					incremental				
applicable)					changes in				
					operations				
Alternative 2: Brief name	Describe other on	tions that were con	sidered		describe any	\$ -	\$ -	\$ -	0
of alternative (if					incremental	IT.	T.		
applicable)					changes in				
аррисове)					operations				
					A PARENT DURING THE STREET		X 100 - 100	4.5	
Alternative 3 Name : Brief	Describe other op	tions that were con	sidered		describe any	\$ -	\$ -	\$ -	0
name of alternative (if					incremental				
applicable)					changes in				
					operations				
Program Cash Flows									
	Capital Cost	O&M Cost	Other Costs	Approved		Associated Ers (list			
Previous	\$ -	\$ = = -	\$ -	\$		2055			
2014			\$ -	\$ 8,300,000					
2015			\$ -	\$ 8,300,000					
2016	\$ 8,549,000	\$ -	\$ -	\$ 8,300,000					
2017	\$ 8,805,470	\$ -	\$ -	\$ 8,300,000					
2018	\$ 9,069,634	\$ -	\$ -	\$ 8,300,000					
2019	\$ 9,341,723	\$ -	\$ -	\$ 8,300,000					
2020+	\$ -	\$ -	\$ -	\$ -					
Total	\$ 52,565,827	\$ -	\$ -	\$ 49,800,000					
					-				r i
ER									
2055	2015	2016	2017	2018	2019	Total	Mandate Excerpt	(if applicable):	
	<b>2015</b> \$ 8,300,000	E RESPONSE DE L'ANNE	<b>2017</b> \$ 8,805,470	ACTION OF THE PARTY OF THE PART	<b>2019</b> \$ 9,341,723	Total \$ 44,065,827		(if applicable): tation of the law or	regulation and a
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1 +	#REF				
	#REFI	Reviewed	signature		
0.8	Project FO Rate			Director/Manager	
0.6	—— Poly. (HREFI)		·	Jan - da	
		Other Party Review	signature	Mary Sevenso	
0.4		(if necessary)	)	pirector/Manager	
0.2	This graph is to provide a place to direct				
0 +	the KPI benefit. Providing a graph is recommended to help communicate				
0 7	what the project is intended to accomplish.				
ro be con	npleted by Capital Planning Group e for decision				
Rationale	e for decision			Review Cycles 2012-2016	
		Date	1	Template	

Functional Group: Electric Transmission / Distribution

**Business Case Name:** Distribution Transformer Change-Out Program ("TCOP")

ER No: ER Name:

2535 TCOP Related Distribution Rebuilds

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$ 13,344 1

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	597	-	-	-	-	-	-	-	-	-	158	76	363
2015	4,700	514	379	357	373	387	360	516	345	355	382	386	346
2016	4,700	514	379	357	373	387	360	516	345	355	382	386	346

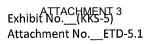
### **Business Case Description:**

The Distribution Transformer Change-Out Program has three main drivers. First, the pre-1981 distribution transformers that are targeted for replacement average 42 years of age and are a minimum of 30 years old. Their replacement will increase the reliability and availability of the system. Secondly, the transformers to be replaced are inefficient compared to current standards. Thirdly, pre-1981 transformers have the potential to have PCB containing oil. The transformers to be removed early in the programs are those that are most likely to have PCB containing oil and their replacement will reduce the risk of PCB containing oil spills.

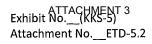
### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.





Investment Name: Requested Amount Duration/Timeframe Dept, Area: Owner: Sponsor: Category: Mandate/Reg. Reference: Recommend Program Desc The Distribution Transform transformers that are targe old. Their replacement will transformers to be remove and their replacement will transformers to be remove and their replacement will and a public relations conce	Asset Manageme Glenn Madden (N Don Kopczynski Program n/a cription: er Change-Out Prograted for replacement increase the reliabil d are inefficient com- idrigity, pre-1981 transid d early in the progra- reduce the risk of pc	Year Program ont & Process Imp Manager) & AI Fisi am has three main average 42 years o ity and availability pared to current st sformers have the p m are those that ar	ninimum of 30 years econdly, the r replacement will pcb containing oil. The nave pcb containing oil	completed save an average of 5.6 MW per hour and eliminate PCB environmental risks	grams quire on >5 arour	s execution to p and <= 10 ad cost, sched Annual Cost Spital Cost 5,800,000  Annual Cost	ule ai Sumn Q \$		e/(Decrease) Other Cos \$	•	Business Risk Score 3	
Alternatives: Unfunded Program:	No planned replace higher risk of a pcb			formers. Substancially	Performance n/a	\$	4,500,000	\$	200,000		ts ,000	Business Risk Score
Alternative 1: Transformer Change-Out Program	First, the pre-1981 replacement average	distribution transfo ge 42 years of age a	rmers that are ta and are a minimu		When completed save an average of 5.6 MW per	\$	5,800,000	\$	105,000	\$		3
Alternative 2:	A COLUMN TO A STATE OF THE PARTY OF THE PART	Commercial and the Spine of the Commercial Spine of th	\$P\$ (1) (1) (1) (1) (1) (1) (1) (1) (1) (1)	at the TCOP does work ard guy insulator (fiber		\$	200,000	\$		\$	-	O
Alternative 3 Name :						\$	•	\$		\$		0
Program Cash Flows	2 11 754				Associated Ers (	list al	l applicable):		F 11 L 2		200	
5 years of costs	Capital Cost	O&M Cost	Other Costs	Approved	Current ER		1003 2060					
	Capital Cost	Odivicost	Office Costs	Арргочец		Sans Sans	2535					
2012		\$ 100,000	\$ -	\$ 6,000,000	<del></del>	N455	ahasansigus (Si	N ( 1 1 1 1 1		\$100 E.S.	1913	evely, average and filler
2013 2014		\$ 102,000 \$ 105,000		\$ 2,924,015 \$ 3,944,000	-1							
2015	11 The Late of the	\$ 107,000	\$ -	\$ 4,700,000	-1							
2016		\$ 110,000	\$ -	\$ 4,700,000	-1							
2017	Distriction of the control of the co			\$ 1,100,000								
2018 Total		\$ 524,000	Ś -	\$ - \$ 23,368,015								
Mandate Excerpt (if applic  Additional Justifications:	able):											
Resources Requirements: (	request forms and a	pprovals attached)										
Internal Labor Availability: Contract Labor:		☐ Medium Probability	☑ High Probability	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form		✓ NO or Not Requi ✓ NO or Not Requi ✓ NO or Not Requi ✓ NO or Not Requi	ired ired	labor boxes resource ow a general se	should be check	ed to contac staff	cted and to provide will be provided





Key Performance Expected Performan														
KPI Measure:	C	istribution	Transforme	er Events	Distributio	n Transform	er Oil Spills							
				er Energy Sa	vings		Prepared	signature						
	Distri	bution Tra	ansforme	r Events							•			
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o +							` ,,			•		Ū		
	2006	2007	2008	2009	2010									ozano Wannuna a
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	2008 2009		262 213											
	2010		182											
								•						

Rationale for decision		Review Cycles
		2012-2016
	Date	Template

**Functional Group:** Electric Transmission / Distribution

**Business Case Name:** Distribution Wood Pole Management ("WPM")

ER No: ER Name:

2060 Wood Pole Mgmt

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$31,5501

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	1,198	-	-	-	-	-	-	-	-	-	308	142	748
2015	11,000	1,201	886	837	874	905	843	1,207	808	831	895	905	810
2016	11,000	1,201	886	837	874	905	843	1,207	808	831	895	905	810

#### **Business Case Description:**

Distribution Wood Pole Management Program inspects all Electric Distribution Feeders on a 20 year cycle and repairs or replaces wood poles, cross arms, missing lightning arresters, missing grounds, bad cutouts, bad insulating pins, bad insulators, leaking transformers, replaces guy wires not meeting current code requirements on poles replaced by WPM, and replaces pre-1981 transformers.

#### Offsets:

The attached copy of the business case does not identify any O&M offsets. However, The Company estimates the cost of an event associated with a bad wood pole based on crew response and labor is approximately \$600. For the test year, Avista saw a slight increase in the number of outages to 850 events. For 2016 we anticipate a reduction of 110 events. We estimate that the O&M offset for 2016 due to Wood Pole Management work is \$66,000. This translates to a Washington offset of \$43,000 in 2016.

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Assessments: 7.42%     Financial: 7.42%     Strategic: Life-cycle asset manage     Strategic: Life-cycle asset manage     Strategic: High certainty around     Program Risk: High certainty around     High certainty around	- See WPIN Compliance Flan for details Assessment Score: #INAMIE: Annual Cost Summary - Increase/(Decrease)	reeders on a 20 year cycle Customer IRR	Annual Cost Summary - Increase/(Decrease)	Performance   Capital Cost   O&M Cost   Other Costs   Business Risk Score	events by 1,700 \$ 8,186,361 \$ 6,834,467 events	Distribution Wood Pole Management Program inspects all Electric  Distribution Feeders on a 20 year cycle and repairs or replaces wood poles, an average of crossarms, missing lightning arresters, missing grounds, bad cutouts, bad insulators, leaking transformers, and replaces pre-1981  Customer IRR = \$ 10,712,022 \$ 530,943 \$ 5,996,350 15  T.99% and avoids an average of an average of 1,700 additional events per vear		cts all Electric r replaces wood poles, ds, bad cutouts, bad replaces guy wires not		uital Cost     Uther Costs     Approved     Associated Ers (list all applicable):       9.893.700   \$ 507.337   \$   \$ 9.486.300     4.86.300	\$ 9,281,686	\$ 519,006 \$ - \$	\$ 530,943 \$ 4,540,023 \$	\$ 543,155	
Distribution Wood Pole Management Estimated Total Capital Expense Indefinite Year Program Asset Maintenance Glenn Madden (Manager) & Heather Rosentrater/A Don Kopczynski	NESC - See WFIM Compliance Flan for details ription:	Distribution Wood Pole Management Program inspects all Electric Distribution F and repairs or replaces wood poles, crossarms, missing lightning arresters, missi bad insulating pins, bad insulators, leaking transformers, replaces guy wires not requirements on poles replaced by WPM, and replaces pre-1981 transformers	AND THE STREET OF THE STREET STREET, AND THE STREET STREET STREET, AND THE STREET STREET, AND THE STREET, AND		Run wood poles and associated equipment to failure	Distribution Wood Pole Management Program in: Distribution Feeders on a 20 year cycle and repair crossarms, missing lightning arresters, missing gromeuslating pins, bad insulators, leaking transforme	Distribution Wood Pole Management Program in Distribution Feeders on a 20 year cycle and repair crossarms, missing lightning arresters, missing groinsulating pins, bad insulators, leaking transforme	Distribution Wood Pole Management Program inspe Distribution Feeders on a 10 year cycle and repairs o crossarms, missing lightning arresters, missing grour insulating pins, bad insulators, leaking transformers,		<b>S</b> 507.337 \$		\$ 519,006 \$	11,500,000 \$ 530,943 \$	543,155 \$	t   010/000 t   000/000/01
	Recommend Program Description:	Distribution Wood Pole Mar and repairs or replaces woo bad insulating pins, bad insu requirements on poles repla		Alternatives:	Status Quo: No Wood Pole Management	Alternative 1: Distribution Wood Pole Management - 20 Year Inspection Cycle	Alternative 2: Distribution Wood Pole Management - 20 Year Inspection Cycle with Guy Wire	Alternative 3 Name: Distribution Wood Pole Management - 10 Year Inspection Cycle with Guy	Program Cash Flows	Previous	2013	2014	2015	2016	

		\$16.00 PA					\$245.FE														70													(KS-		-6.2
		Mandate Excerpt (if applicable): The current WPM program complies with the following part of the National Electric Safety Code: 013, 121, 212 A, 212 B, and 261 A.2				The second state of the se	Additional Justifications:	Any supplementary information that may be useful in describing in more detail the nature of the Project, the urgency, etc.  Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm committment).															Director/Manager			Man A College										
		Total	8,062		•			-														✓ NO or Not Required	✓ NO or Not Required	VNO or Not Required	Le jino or inot Required			signature			signature				ignature // (	
		2018	\$ - \$		\$ - \$	\$ - \$	1		\$ - \$		\$  - \$	\$ - \$	\$ - \$	• 3000000	\$ - \$	\$ - \$	1	\$ - \$	\$ - \$			YES - attach form	YES - attach form	YES - attach form	TES - attach form			Prepared			Reviewed				Other Party Review signature	(ii iicocasaiy)
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-	\$ 18,268,188 \$		2016	\$ - \$	•		\$ - \$	\$ - \$		-		\$ - \$		•		ı	\$ - \$	-	\$ - \$				✓ High Probablity En	Fac	- H			pared to the annua								
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\$ 6102	Total		R	2060	0	0		0							0	0	0	0	0	Total	Dosniese Bonitomonte, francet forme and anarounle attached		wailability:	Contract Labor:		Rey Performance Indicator(s) Expected Performance Improvements	KPI Measure:	 	1.2	THE		AND THE PERSON OF THE PERSON O		0.6		

Review Cycles 2012-2016

		This graph is to provide a place to direct the KPI benefit. Providing a graph is recommended to help communicate what the project is intended to
		This graph the KPI be recomme 1 what the
VISIT.	0.4	0.2

Capital Program Business Case

			Total	Propose
	WPM Estimate for each years w Guy Wire Replacem	w Guy Wire Replacem₁=	\$11,172,022	\$
WPM 2014:	\$10,712,022 +	\$460,000 =	\$11,133,453	\$1
WPM 2015:	\$10,673,453 +	\$460,000 =	\$11,031,162	\$1
WPM 2016:	\$10,571,162 +	\$460,000 =	\$11,068,892	\$1
WPM 2017:	\$10,608,892 +	\$460,000 =	\$11,045,416	\$1
WPM 2018:	\$10,585,416 +	\$460,000	J	

Capital Budget					
Proposed WPM C	\$11,172,022	\$11,389,522	\$11,544,431	\$11,850,347	\$12,097,193
Total	\$11,172,022	\$11,133,453	\$11,031,162	\$11,068,892	\$11,045,416

Capital Budge						
roposed WPM Ca	\$11,172,022	\$11,389,522	\$11,544,431	\$11,850,347	\$12,097,193	
Total	\$11,172,022	\$11,133,453	\$11,031,162	\$11,068,892	\$11,045,416	

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_			
Date			

Functional Group: Electric Transmission / Distribution

**Business Case Name:** Meter Minor Blanket

ER No: ER Name:

2073 Meter Minor Blanket

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$9401

# Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	1,039	-	-	-	-	-	-	-	-	-	465	170	404
2015	5,806	484	484	484	484	484	484	484	484	484	484	484	484
2016	5,806	484	484	484	484	484	484	484	484	484	484	484	484

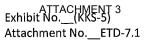
#### **Business Case Description:**

The existing power line carrier system for reading meters has failed and is not repairable. This project will replace the existing meters with two way automated communications system (TWACS) meters and replace substation equipment with TWACS equipment.

#### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.





Category:  Mandate/Reg. Reference:  Recommend Project Descript The existing power line carler replace the existing TURTLE r equipment. 2/18/14 - reques 2014. Separate item - \$390k from ER2059 as in prior years increase of \$440k transfered  Alternatives: Unfunded Project:  It	r system for reading meters with TWACs sted carryover of \$! increase associated s the charges associ	meters and replac 50k for work appro d with electric met lated with this wor ims.	e substation equi oved in 2013 but i er replacement n ik was allocated t	ipment with TWA( not finished until J on-revenue, Tran o ER2059, Total	Performance will Reduce overtime from meter reading and bill estimation  Performance	Annual Cost \$ 90,00	sst Summary - Increa	ose/(Decrease) Other Costs S -	Business Risk Sco.
Mandate/Reg. Reference: In Recommend Project Descript The existing power line carier replace the existing TURTLE requipment. 2/18/14 - reques 2014. Separate Item - \$300 from ER2059 as in prior years increase of \$440k transfered Infunded Project:  Alternatives:  Alternative 1: Brief name of alternative (If	n/a rtion: r system for reading meters with TWACs sted carryover of \$\frac{5}{2}\text{ increase associates} increase associates is the charges associ from ER2059 - Stor	meters and replac 50k for work appro d with electric met lated with this wor ims.	e substation equi oved in 2013 but i er replacement n ik was allocated t	able. This project ipment with TWA( not finished until J on-revenue. Tran o ER2059. Total	Performance will Reduce overtime from meter reading and bill estimation  Performance	\$ 90,00	O&M Cost 0 \$ 120 sst Summary - Increa	Other Costs  See/(Decrease)	
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replace the existing TURTLE in equipment. 2/18/14 - reques 2014. Separate Item - \$390k from ER2059 as in prior years increase of \$440k transfered a literatives:  Unfunded Project:  Alternative 1: Brief name of alternative (if	meters with TWACs sted carryover of \$! increase associate is the charges associ from ER2059 - Stor The Turtle meters with wither.	meters and replac 50k for work appro d with electric met lated with this wor ims.	e substation equi oved in 2013 but i er replacement n ik was allocated t	ipment with TWA( not finished until J on-revenue, Tran o ER2059, Total	overtime from meter reading and bill estimation	Annual Co	sst Summary - Increa	se/(Decrease)	
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Unfunded Project: T ti  Alternative 1: Brief name R of alternative (if	the winter.		hen they can and	l estimated throug		Capital Cost		ChharCarta	
of alternative (if	Replace with Fixed	Network					O&M Cost \$ 14,515	200 CONTRACTOR OF THE PROPERTY	Business Risk Sco
					Could only cover a percentage o	A PART OF THE PROPERTY AND ADMINISTRATION OF THE PART	0 \$ 60	\$ -	Z
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Program Cash Flows									
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2013 : 2014 :	\$ 90,000 \$ 15,000	\$ -	\$ -		,000				
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The state of the s	\$ -	\$	\$	\$	- \$	Š -	the state of the s	urgency, etc.	
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ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_ETD-7.2

AVISTA

YES - attach form

Page 2 of 3

Printed 01-08-2015
C-Wyersyff9457/DesKopVndexed Business Cases For KKS-5/New folder/ETD-36 - Update - Minor Meter Blanket



Key Performan	ce Indicator(s) ance Improvements		
KPI Measure:	Fill in the name of the KPI here		
1.2	Fill in the name of the KPI here		
1.2	#REF!		
1	#REF!		
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	—— Poly. (#REFI)		
0.6		Reviewed	signature
0.4		Kevieweu	Director/Manager
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		Other Party Review	w signature YV augu Steuens
0 +	1	(if necessary	/) \ \ \ \ \ Director/Manager
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	This space is to be used for photographs, charts, or other date	a that may be useful in e	evaulating the Project
	•		
		And the second s	
To be comple	eted by Capital Planning Group		
Rationale fo	or decision		Review Cycles 2012-2016
		Date	Template

Functional Group: Electric Transmission / Distribution

Business Case Name: Electric Replacement/Relocation

ER No: ER Name:

2056 Distribution Line Relocations

2061 WSDOT Franchise Requirements Construction

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$6,652 1

# Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	437	-	-	-	-	-	-	-	-	-	84	175	178
2015	2,400	248	195	186	193	198	187	249	182	185	196	198	182
2016	2,500	258	203	194	201	206	195	259	189	193	204	206	189

#### **Business Case Description:**

This annual program will replace sections of existing infrastructure that require replacement due to relocation or improvement of streets or highways. Requirements may come from our franchise agreements, permits, or Washington Department of Transportation. Avista installs many of its facilities in public right-of-way under established franchise agreements. Avista is required under the franchise agreements, in most cases, to relocate its facilities when they are in conflict with road or highway improvements.

# Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_ETD-8.1



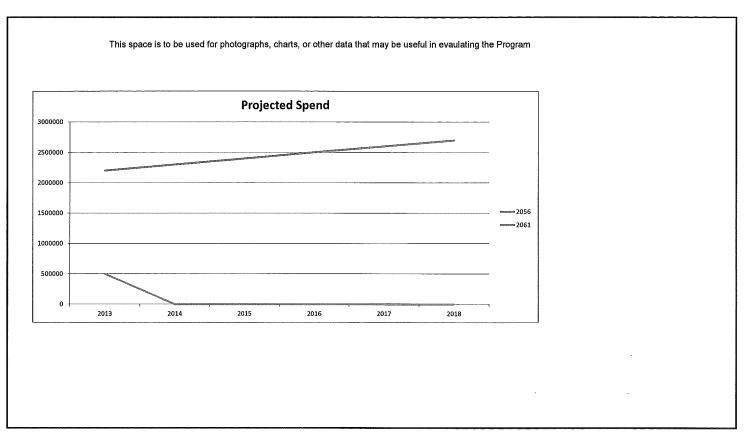
Investment Name:	Elec Replaceme	ent and Relocation								770000000000000000000000000000000000000
Requested Amount Duration/Timeframe	\$ On-Going	2012+	2,700,000	Assessments: Financial:	Medium - >= 5	:0% R	<9% CIRR			
Dept, Area:	Gas and Electric	and the second of the second of the second of the second		Strategic:	Other					
Owner:	Al Fisher			Operational:				erform at currer	nt levels	
Sponsor: Category:	Don Kopczynski Mandatory			Business Risk: Program Risk:	ERM Reduction	Partie State		chedule and re	sources	
Mandate/Reg. Reference:		ments and Permit	S	Assessment Score:	140	B. College P. College		Summary - Incre		
Recommend Program Des	cription:				Performance		Capital Cost	O&M Cost	Other Costs	Business Risk Score
This annual program will re relocation or improvement agreements, permits, or w established franchise agree relocate its facilities when	of streets or highw A DOT. Avista insta ments. Avista is re	ays. Requirements lls many of its facilit quired under the fra	may come from o les in public right nchise agreemen	our franchise -of-way under		\$	2,700,000			2
Alternatives:					Performance		Annual Cost	Summary - Incre O&M Cost	ase/(Decrease) Other Costs	Business Risk Score
Status Quo:		ut of compliance wil work is not complete		nchise agreements	n/a	\$		\$	\$ -	16
Alternative 1:	A STATE OF STREET STATE OF STREET STATE OF STREET	in conflict with stree ise agreements and	Control of the Contro		**************************************	\$	2,700,000	\$		2
Alternative 2:		The state of the s				\$		\$	\$	0
Alternative 3 Name: Brief name of alternative (if applicable)					describe any incremental changes in operations	\$		\$	\$	0
Program Cash Flows					Associated Ers	(liet al	l annlicable)			
2012-2016				HEADER PROPERTY OF THE REAL PROPERTY OF THE PERTY OF THE	Current ER		, opplicable,			
	Capital Cost	O&M Cost	Other Costs	Approved	2056					
Previous 2012		\$ -	\$ - \$ -	\$ -	2061	20.10.0			ites agrapera (Maraja, posito) Santana (Maraja, posito)	NEW State and several services
2013			\$ -	\$ 2,200,000		<u> Indiana</u>	<u> </u>	E. C. Annel Collections	are Plante costo PA el revolt Nicheline (1), met	La fallette Kangaria de de Albert
2014			\$ -	\$ 1,752,430	-					
2015 2016			\$ - \$ -	\$ 2,400,000 \$ 2,500,000	-					
2017			\$ -	\$ 2,600,000	<del></del>					
2018			\$ -	\$ 2,700,000						
2019		\$ -	\$ -	\$ 2,800,000					•	
Tota	17,600,000	\$ -	\$ -	\$ 19,352,430						
Mandate Excerpt (If applic Franchise agreements, typ		nd B/B nermits and	WA Department	of Transportation presc	iha that the utilit	w will	relocate at thei	r avnanca whan i	n conflict with entity a	ectivities
Tranchise agreements, typ	car state ingilivay a	iu iya pemile anu	- Separanent	or transportation presc	ibe that the diffic	y wiii	relocate at the	r expense when	i comince with entiry a	icowares,
Additional Justifications; Mandatory work to mainta	in compliance with	existing franchise ar	nd operating perr	nits with state highway	districts and rail	roads				
Resources Regulrements:	(request forms and	approvals attached)								
Internal Labor Availability: Contract Labor:	☐ Low Probability ☑ YES	✓ Medium Probability  NO	High Probablity	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form		✓ NO or Not Requ ✓ NO or Not Requ ✓ NO or Not Requ ✓ NO or Not Requ	Ired Intel Ired show	ck the appropriate box. rnal and contract labor l ild be checked to indica urce owners have been acted and to provide a	poxes te if the
Key Performance Indicato Expected Performance Improve KPI Measure:	ments N/A - Mandatory \							sens prov	e of how likely staff will ided (this does not requ mittment).	be
	Fill in the name of	tne KPI here		1						



#### **Capital Investment Business Case**

**ATTACHMENT 3** Exhibit No.\_\_(KKS-5) Attachment No.\_\_ETD-8.2

	Prepared	signature
	Reviewed	signature  Director/Manager
WSDOT Franchise work will be incorporated into ER2056 in years 2014 - 2018	Other Party Review	
	(if necessary	v) Director/Manager



Rationale for decision		Review Cycles
		2012-2016
	Date	Template

Functional Group: Electric Transmission / Distribution

**Business Case Name:** Environmental Compliance

ER No: ER Name:

6000 PCB Identification & Disposal
 6101 Forest Service Requirements
 6002 Environmental Compliance Blanket

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$1,1511

# Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	46	-	-	-	-	-	-	-	-	-	-	-	46
2015	500	21	21	83	21	21	83	21	21	83	21	21	83
2016	500	21	21	83	21	21	83	21	21	83	21	21	83

#### **Business Case Description:**

Implementation of Forest Service Special Use Permits, waste oil disposal, including polychlorinated biphenyls (PCB), and environmental compliance requirements related to storm water management, water quality protection, property cleanup and related issues, etc.

#### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Environmental Compliance		•				
Requested Amount	And the second of the second o	Assessments:					
Duration/Timeframe	A STATE OF THE PARTY OF THE PAR	inancial:	High - Exceeds	s 12% CIRR			
Dept, Area:	A STATE OF THE STA	Strategic:	Other				
Owner:		Operational:	The second secon	ulre execution to p	erform at current l	evels	
Sponsor:		Business Risk:		n >10 and <= 15			
Category:		Program Risk:	Tomoral Strangers and Control of the	around cost, sched	ule and resources		
Mandate/Reg. Reference:		Assessment Score:	182		Summary - Increas	CHANGE AND REAL PROPERTY OF THE PARTY OF THE	
Recommend Program Desc		issessiment score:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Implementation of Forest S	iervice Special Use Permits (SUP) , Waste Oil Disposal, inclu requirements related to storm water managmeent, water		n/a	\$ 250,000	\$		6
				Appual Cost	Summary - Increas	e/(Derresse)	
Alternatives:			Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Alternative 1: Funded SUP	Avista is required to perform various mitigation activities	associated with our	n/a	\$ 100,000	A STATE OF THE PARTY OF THE PAR	Ś -	20
implementation	right-of-ways (ROW) across National Forest lands. These performed under the framework of the Special Use Perm States Forest Service (USFS) for 30 years which requires n protect.	activities are its issue by United					
Alternative 2: Unfunded SUP implementation	If mitigation projects are not performed in accordance wi annual workplans, this would represent a violation of the the activities associated with our ROW at risk. Potential t enforcement/penalties, as well as NERC/WECC enforcem	SUP, thus placing for USFS		\$	Section 1	from moderate to extreme	6
Alternative 1: Funded PCB Disposal	Proper disposal of Waste Oil and PCB equipment is requir Washington State and Environmental Protection Agency Substance Control Act (TSCA) regulations.	group to a manger of the first half by growing the file flavole are ground.	The state of the s	\$ 150,000	\$ 1000000000000000000000000000000000000		
Alternative 2: Unfunded PCB Disposal	If the PCB disposal is not funded, we would be subject to non-compliance with state/federal laws, as well as subjec via enforcement action or to cleanup liabilities, including damages by agencies.	t to proper disposal			\$ -	from moderate to extreme	0
Alternative 1: Funded Environmental Compliance	Funding of this program reduces rish of non-compliance a liability	and evironmental	E a mar van	\$	\$	\$	15
Alternative 2: Unfunded Environmental Compliance	If unfunded, Avista would run the risk of having facilities an/or liability from contamination. Could experience find			\$	\$ -	from moderate to extreme	2
Program Cash Flows			Associated Ers (	list all applicable):		in the second	
5 years of costs	Transition william sequences as a second sequence of the second s		Current ER	6101	6000	6002	
<u></u>	Capital Cost O&M Cost Other Costs	Approved					Y-2-1-7()2-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1-1

Program Cash Flows						<b>Associated Ers</b>	(list all applicable):			
5 years of costs						Current ER	6101	6000	6002	
	Capital Cost	O&M Cost	Other Costs		Approved		SERVICENTE			
Previous	\$ -	\$ -	\$ -	\$						
2012	\$ -	\$ -	\$ -	\$	350,000	E.S. (1915), 1921.				
2013		\$ -	\$ -	\$	251,000					
2014	\$ 250,000	\$ 445	\$	\$	151,000					
2015	\$ 250,000	\$ -	\$ -	\$	500,000					
2016	\$ 250,000	\$ -	\$	\$	500,000					
appated positional in the special part of the second	2	· / Annaighteigeagaig charte		- 6	EAG AAA	1				

500,000

500,000

1,250,000

Mandate Excerpt (if applicable):	

### Additional Justifications:

SUP: Vegetation management is a requirement of the North American Electric Reliability Corporation (NERC) and in place to prevent outages from vegetation located on the transmission ROW and to minimize outages from vegetation located outside the ROW. Unmanaged vegetation growing near power lines can cause damage to facilities, interrupt power supply and start wildfires. Other objectives are to provide a clear, safe work space and access to teh ROW for construction and maintenance work. Permit conditions allow us to conduct vegetation management. PCB: EPA Federal PCB Regulations (for disposal of PCB equipment): Toxic Substances Control Act and Washington Dangerous Waste Regulations (provides criteria for managing and disposal of PCB).

Resources Requirements: (request forms and approvals attached)

2018 \$

2019 \$

Total

250,000 \$

Ausui

#### Capital Program Business Case

ATTACHMENT 3

Exhibit No.\_\_(KKS-5) Attachment No.\_\_ETD-9.2

Internal Labor Availability: Contract Labor:	Low Probability YES	☐ Medium Probability ☐ NO	☑ High Probablity	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	☑ NO or Not Required ☑ NO or Not Required ☑ NO or Not Required ☑ NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).
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# Capital Program Business Case



Key Performance Indicator(s) Expected Performance Improvements Exhibit No.\_\_(KKS-5) Attachment No.\_\_ETD-9.3

Project 10 Pale   Party Review dignature   Party Review dignatu			iental Protectio	n Agency						
Reviewed signature  Director/Manager  This graph is to provide a pake to direct that FIT beautiff. Providing a graph is recommended to help controlled to help contro				ar deriet						
Reviewed signature    Control   Cont						Prepared	signature			
Reviewed signature    Prop. ()	1.2						•			
Reviewed signature    Prop. ()	1 -	MONIZACIÓN DO COMPANIA DE COMP								
Director/Manager    Contemporary Review   Director/Manager	-	#cc/ccocces								
Director/Manager  This graph is to provide a place to direct the RFI benefit. Providing a graph is recommend to the PATY Review signature  (If necessary)  Director/Manager  This graph is to provide a place to direct the RFI benefit. Providing a graph is recommend to the project is benefit of the PATY Review signature (If necessary)  Director/Manager  (If necessary)  Director/Ma	0.8	Project FO Rate			l	Reviewed	signature			
This graph is to provide a place to direct the VPI handlik. Providing a graph is recommended to be commended to the project in incoding a graph is recommended to the project in incoding a graph is project		Poly. ()					oigitata. s		Director/Manager	
This grash is to provide a place to direct the KP benefit. Providing a grash is under the Project is intended to    2014	0.6	1								
This grash is to provide a place to direct the KP benefit. Providing a grash is under the Project is intended to    2014	0.4						-	\ a a	*2 <b>A</b>	
1			[	50450.4. G				Marail	Striems	
1	0.2	-				Other Party Review	signature	1 COUNTY	Disaster/Manager	
1 2 3 4   What the project is insended to	•					(II Hecessary)		U	Director/Mariager	
2014   2015   2016   2017   2018	U	1 2 3	100000000000000000000000000000000000000							
Temple										
Reside	pital	Budget Projections		2014	2015	2016	2017	2018		
100   200,000		1/2 - 1/2 -	Karanah.						<b></b>	
450,000 450,00										
Engheers Olinion Avista SR 279 Site Cost Estimat Storm Treat  be completed by Capital Planning Group autionals for decision  Review Cycles 2012-2016		ER 6002							<u> </u>	
actionale for decision Review Cycles 2012-2016										
Date Template										
			ning Group							
			ning Group				Date		2012-2016	
			ning Group				Date		2012-2016	

Functional Group: Electric Transmission / Distribution

Business Case Name: Primary Underground Residential Distribution ("URD") Cable Replacement

ER No: ER Name:

2054 Electric Underground Replacement

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$1,7501

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	74	-	-	-	-	-	-	-	-	-	24	24	27
2015	1,000	27	20	19	207	208	207	215	18	19	20	21	18
2016	-	-	-	-	-	-	-	-	-	-	-	-	-

#### **Business Case Description:**

This effort involves replacing the first generation of Underground Residential District (URD) cable. This project has been ongoing for the past several years and focuses on replacing a vintage and type of cable that has reached its end of life and contributes significantly to URD cable failures.

### Offsets:

A five year plan to inspect and maintain our padmount equipment will add \$800,000 per year to the O&M spending for the first five years. Washington's allocation of these additional O&M Costs are \$522,000.

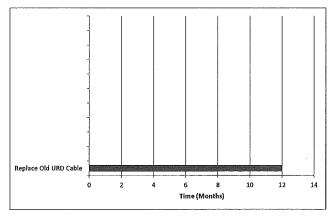
<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

#### **Capital Investment Business Case**

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_ETD-10.1

Investment Name:	Primary URD Cable Replacement 2013								
Requested Amount	\$1,800,000	Assessments:							
Duration/Timeframe	2 Year Project	Financial:	MH - >= 9% &	A STATE OF THE PARTY OF THE PAR					
Dept, Area:	Asset Management & Process Improvement	Strategic:	Life Cycle Prog						
Owner:	Kevin Christie	Operational:	Operations improved beyond current levels						
Sponsor:	Jason Thackson	Business Risk:		n >5 and <= 10					
Category:	Project	Project/Program Risk:	High certainty a	around cost, sched	dule and resource	98			
Mandate/Reg. Reference:	n/a	Assessment Score:	110	Cost Sur	nmary - Increase/	(Decrease)			
Recommend Project Descr	iption:		Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score		
Complete the replacement	of the un-jacketed first generation of Primary URD cab		Customer IRR = 10% and avoids an average of 600 outages per year	\$ 1,800,000	<b>\$</b>		4 1		
					nmary - Increase/		ERM Risk Score		
Alternatives:		Control of the Control	Performance	Capital Cost	O&M Cost	Other Costs			
Status Quo:	Number of Primary URD Cable faults would increase a cable would also increase. Without this work and the the increased O&M costs would sum up to \$8.8 millio	past 4 years of work,	Increase number of Outage towards 700		\$	\$ 1,300,000	10		
Alternative 1: Primary URD Cable Replacement	Complete the replacement of the un-jacketed first gen cable	neration of Primary URD	Customer IRR = 10% and avoids an average of 600 outages per year	\$ 1,800,000	\$	\$	4		
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered		describe any incremental changes in operations	\$	\$	\$	0		
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered		describe any incremental changes in operations	\$	\$	\$	0		

# Timeline



# Construction Cash Flows (CWIP)

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 19,852,679	\$ -	\$ -	\$ 19,852,679
2012	\$ 1,800,000	\$ -	\$ -	\$ 1,982,000
2013	\$ 1,000,000	\$	\$ -	\$ 1,000,000
2014	\$ 1,000,000	\$ -	\$ -	\$ 750,000
2015	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
2016	\$ 1,000,000	\$	\$ -	\$ 
2017	\$ 1,000,000	\$ -	\$ -	\$
2018	\$ 1,000,000	\$ -	\$ -	\$
2019	\$	\$	\$ -	\$
Future	\$	\$	\$	\$ · ·
Total	\$ 27,652,679	\$ -	\$ -	\$ 24,584,679

Milestones (high level targets)  November-11 Project Started  March-12 Project Plan  June-12 Project Design			2368 + 543, 27 (9413) (930) 54 (934) 54 (941) 54 (941) 54 (941) 54 (941) 54 (941) 54 (941) 54 (941) 54 (941) 5	December-12	Plant In Sei Project Cor open	14. 유. 유. 마스트 프로마스 아크로 보다 보는 사람이 되는 사람이 있다. 그리고 있는 것이 되었다. 그는 사람이 되었다면 보다 보고 있다면 하게 되었다면 보다 되었다.
March-12 September-12	Major Procureme Construction Star			mm/dd/yy mm/dd/yy	open open	Milestones should be general. In some cases it may be as simple as project start, project complete. Use your judgement on project progress so that progress can be measured.
Associated Ers (list all ap	oplicable):	Current ER	2054			
Mandate Excerpt (If app	ilicable);					

Additional Justifications:



Resources Requirements:	(request forms o	ind approvals attache	d)		3.1		
Internal Labor Availability: Contract Labor:	<b>√</b> YES	☐ Medium Probability ☐ NO	✓ High Probability	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	☑ NO or Not Required ☑ NO or Not Required ☑ NO or Not Required ☑ NO or Not Required	Check the appropriate box. The Internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general
Key Performance Indicator Expected Performance Improve	ements						sense of how likely staff will be provided (this does not require a firm committment).
KPI Measure:	Primary URD O Avoided Outag			Prepared	signature		
P	rojected URD Cabl	e - Primary OMT   Actua			Signature		
KPI Description 2009	Event 143		OMT Events 136	25-55 VVV VVV VVV			
2010 2011	119 94 70	and the second second	93	Reviewed	signature	Direct	or/Manager
2012 2013 2014	45 45					Mo Ch	14 a 0 21 2
2015	45	the KPI benefit. Provid		Other Party Review		V (MM) Direct	Or/Manager
	***************************************	recommended to help what the project is into				7	
Projected A	Avoided Costs due						are and the second seco
	ile - Pri Caused Julages	Capie -1800	utages	or other data that ma	y be useful in eva	ulating the project	
	.,038,613 .,228,275	\$1,056,1 \$1,295,2					
Supplementary and the	.,368,561 .,516,159						
2014 \$1	.,744,539 .,898,311						
2015 <b>\$</b> 1	1,997,052						
The 10% customer IRR The ERM values come					le		
The average URD-Prim Customer-Hours for bas			e of 33 customers	s for 3.5 hours			
Customer-Hours for bas							
						•	•
To be completed by Ca Rationale for decision		j Group					lew Cycles 012-2016
					Date		Template

**Functional Group:** Electric Transmission / Distribution

**Business Case Name:** Transmission - Reconductors and Rebuilds

ER No: ER Name:

2310	West Plains Transmission Reinforce
2423	System Transmission: Rebuild Condition
2457	Benton-Othello 115 Recond
2550	Burke-Thompson A&B 115kV Transmission Rebuild Project
2556	CDA-Pine Creek 115kV Transmission Line: Rebuild
2557	9CE-Sunset 115kV Transmission Line: Rebuild
2564	Devils Gap-Lind 115kV Transmission Rebuild Project
2574	Chelan-Stratford 115kV - Rebuild Columbia River Xing
2577	Benewah-Moscow 230kV - Structure Replacement
2582	Beacon-Bell-Francis & Cdr-Waikiki 115kV – Reconfigure

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$44,709 1

#### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	10,686	-	-	-	-	-	-	-	-	-	592	1,147	8,947
2015	14,263	-	-	-	-	-	-	-	-	-	-	-	14,263
2016	23,661	-	-	-	-	-	-	-	7,100	-	-	-	16,561

### **Business Case Description:**

This program reconductors and/or rebuilds existing transmission lines as they reach the end of their useful lives, require increased capacity, or present a risk management issue. Projects include: ER 2310 - West Plains Transmission Reinforcement, ER 2550 - Pine Creek-Burke-Thompson, ER 2557 9CE-Sunset Rebuild, ER 2423 - System Condition Rebuild, ER 2457 Benton-Othello Rebuild, ER2556 CDA-Pine Creek Rebuild, ER 2564 Devils Gap-Lind Major Rebuild, ER 2574 - Chelan-Stratford River Crossing Rebuild, ER 2576a Addy-Devils Gap Reconductor, ER 2575 Garden Springs-Silver Lake Rebuild, ER 2582 BEA-BEL-F&C-WAI Reconfiguration, ER 2577 BEN-M23 Rebuild, ER 25xa - Out-Year Transmission Rebuild.

# Offsets:

After Revenue requirements was determined that the following additional offsets exist. To calculate amount of the savings to be reflected in our rate year, reduced line losses are multiplied against the avoided energy cost of \$44 per MWh to arrive at the total energy savings. Burke-Pine Creek will experience reduced line losses of 252 MWh for 2014. This amount is multiplied by the avoided energy cost to arrive at a savings of \$11,088 on a system level and \$7,200 Washington Electric. Benton-Othello 115 will experience a reduction in line losses of 1,424 MWh which, after applying the avoided energy cost per MWh of \$44, equates to \$62,700 of offsets on a system basis and \$40,800 Washington Electric. Bronx-Cabinet will experience reductions in line losses of 755 MWH in both 2015 and 2016 (1,510 total). This equates to an offset amount of \$66,440 on a system level and \$43,300 Washington Electric.

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

# AVISTA

Investment Name:		econ and	Rebids		Assessments:							
Requested Amount Duration/Timeframe	\$20,00		Year Program	<u> </u>	Financial:	10.00%	t and					
Dept, Area:	T&D -	TLD Engin			Strategic:	Life-cycle asse	et manage	ement				
Owner:		er Rostentr	ater		Business Risk:	Business Risk				Votas III. ji		
Sponsor:		opczynski			Program Risk:	High certainty	around co	ost, sched	ule and resource	S		
Category: Mandate/Reg. Reference:	Progra n/a	4111			Assessment Score:	#NAME?	А	nnual Cost	Summary - Increa	se/(Decrea	se)	
Recommend Program Des	and the second second				I Control of the Cont	Performance	or Section Contracting	al Cost	O&M Cost	of Control of Control	Costs	Business Risk Score
This program reconductors			sting transmission li	nes as they reach	the end of their usefu			0,000,000	\$ -	\$		1
lives, require increased cap						performance						
Plains Transmission Reinfo						(reduced						
ER 2423 - System Condition												
2564 Devils Gap-Lind Major Devils Gap Reconductor, EF						upgraded facilities,						
Reconfiguration, ER 2577 B						greater						
						clearance, new						
						life cycle, and						
						greater load						
						capabilities.	15150					
			The second secon						Summary - Increa			Burste see Blate Seems
Alternatives: Unfunded Program:	Trans	niccion lines	that would be rebu	ilt and/or record	uctored under this	Performance Med-High	S Capit	al Cost	O&M Cost	\$ Otner	· Costs	Business Risk Score 8
Omunucu Frugrami	The second second			ALAM TOTAL SATISFACTOR OF A STATE OF THE STA	d wood structures, or 3	A Section of the Control of the Cont						
	No. of Concession	The state of the s	orated materials, or	Statement of the form with a first the first		line overload,						
	3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	uate capacit				line fallure, or	MARK					
						injury/fine						
						within the next						
						1-10 yrs.						
Alternative 1: Brief name	Descri	ne other ont	lons that were cons	idered		describe any	Ś		\$ -	\$		0
of alternative (if						Incremental						
applicable)						changes in						
						operations						
Alternative 2: Brief name	Descril	be other opt	ions that were cons	idered		describe any	\$		\$ -	\$		0
of alternative (if						incremental	5262					
applicable)						changes in operations						
Alternative 3 Name : Brief	Descril	be other opt	lons that were cons	ldered		describe any	Š		\$ -	\$		0
name of alternative (if						Incremental						
applicable)						changes In						
Entransion Afternation Section	energy (see a	acontactor and				operations						
Program Cash Flows	Car	oital Cost	O&M Cost	Other Costs	Approved		Associate	ed Frs (list	all applicable):			
Previous			\$ -	\$ -	\$ -			2310		9	2550	2557
2014		11,446,742		\$ -	\$ 6,760,000			2423	245		2556	2564
2015	C 1 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	23,412,946		\$ -	\$ 17,912,946			2574	25x		2576	2582
2016 2017		26,536,134 28,102,393		\$ - \$ -	\$ 20,036,134 \$ 20,852,393			2577	257	)		
2017		26,000,000		Š -	\$ 21,000,000							
2019		12,000,000		\$ -	\$ 12,000,000	-						
Total	\$ 1	27,498,215	\$ -	\$ 2	\$ 98,561,473							
	I somomento			1					l., , ,			
ER 2310	Ś	2014	<b>2015</b> \$ 25,000	<b>2016</b> \$ 1,000,000	\$ -	2018 \$ -		otal 1.025.000	Mandate Excerpt Provide brief cita			nulation and a
2549	\$		\$ 25,000	\$ 1,000,000	\$ -	\$ -	\$	_,022,000	reference numb			o-musik di M
2550	\$	3,700,000	\$ 3,500,000	\$	\$	\$ -		7,200,000				
2557	\$	10 M	\$ 25,000	\$ 900,000	\$ 22	\$ -	\$	925,000				
2423	\$	2,500,000	\$ 2,500,000	\$ 2,500,000		\$ 2,500,000		2,500,000				
2457 2556	\$	2,500,000 25,000	\$ 3,600,000	\$ 3,500,000 \$ 4,500,000	\$ -	\$ -		9,600,000 2,775,000		AND PROPERTY OF STREET		
2564	\$	2,346,742		\$ 4,050,558		\$ 2,500,000			Additional Justifi	cations:	100	
2574	\$	350,000	\$ -	\$ -	\$	\$ -	\$	350,000	Obligation to serv	e: Specific 1		
25xa	\$	N. N 2	\$ 2,000,000	\$ 2,000,000		\$ 2,000,000		8,000,000	rebuild or recond			and the contract of the contra
2576	\$	<u> </u>	\$ -	\$ -	\$ 25,000 \$ 2,000,000	\$ 2,000,000		2,025,000	growth. Risk Mar		. Topologica in a series and a series	The second state of the second state of the second
2582 2577	\$	25,000	\$ 7,815,802	\$ 8,060,576		\$ - \$ -		2,025,000 4,203,771	require rebuild to Addition of dolla	1900/06/09/09/09/09	Control of the Contro	a til far i flatisk fra Stalle Mening til til 📑
2575	\$	20,000	\$ -	\$ -	\$ 25,000	\$ 2,000,000		2,025,000	Interpretation of		a Maria Carrier Tile	
25xb	\$	-	\$ -	\$ -	\$ 7,500,000	\$ 7,500,000	\$ 1	5,000,000				er wire bottlenecks
25xc	\$		\$ -	\$ -	\$ -	\$ 7,500,000		7,500,000	while increasing	System Ope	rations re	sponse flexibility.
Total	\$	11,446,742	\$ 23,412,946	\$ 26,536,134	\$ 28,102,393	\$ 26,000,000	S = 11.	5,498,215				
Resources Requirements:	(request	forms and a	approvals attached)						74 - TES			
		•							Chook the	annonriate i	hov Their	ternal and contract
Internal Labor Availability:		Probability	Medium Probability	High Probability	Enterprise Tech:	YES - attach form		NO or Not Requ	alred labor boxe			ndicate if the
Contract Labor:	₹ YES		□ №		Facilities:	YES - attach form		NO or Not Requ	( , , , , , , , , , , , , , , , , , , ,			cted and to provide
					Capital Tools: Fleet:	YES - attach form		NO or Not Requ NO or Not Requ	3	ense of how not require a		will be provided nittment).
						☐ ILO - attaut t0fff	. (2.1)	or mor need	14110 2000		N. Was Millians	
Key Performance Indicator												
<b>Expected Performance Improver</b>	nents				ži.							



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	Rationale f	ror aecision					
Date  Template  Date  Template						2012-2016	
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Functional Group: Electric Transmission / Distribution

**Business Case Name:** Segment Reconductor and FDR Tie Program

ER No: ER Name:

Distribution - Spokane North & West
 Distribution - CdA East & North
 Distribution - Pullman & Lewis Clark

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$10,725 1

# Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	2,689	-	-	-	-	-	-	-	-	-	16	153	2,520
2015	2,920	-	-	-	-	-	-	-	-	-	-	-	2,920
2016	2,675	223	223	223	223	223	223	223	223	223	223	223	223

#### **Business Case Description:**

Distribution planning has identified a number of thermal constraints on the system where "segment reconductor" work is warranted to mitigate thermally overloaded conductor. In addition, a number of urban feeder tie additions are required to meet the Company's 500 Amp feeder plan also known as the "feeder and one-half" plan. This work is planned and coordinated with assistance from the five (5) Area Engineers in Spokane, Big Bend, Colville, Coeur'd Alene, and Pullman. Annual spend varies from year-to-year but the operational premise is constant: mitigate thermally overloaded conductor, mitigate known or emerging voltage issues, and establish FDR tie points in compliance with the Company's 500A Feeder Plan.

#### Offsets:

O&M offsets associated with this business case may occur in the future, however, they are not quantifiable at this time.

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name: Requested Amount	4,000,000 (varia		Tie Pgm	Assessments:					
Duration/Timeframe	On-going	Year Program		Financial: Strategic:	MH - >= 9% &				The second secon
Dept, Area: Owner:	Engineering	es (updated July 1	6 2014)	Operational:		quire execution to p	perform at current	levels	
Sponsor:	Don Kopczynski	co (apaatea oaiy i	10, 2014)	Business Risk:		n >5 and <= 10			
Category:	Program			Program Risk:		ainty around cost,	schedule and reso	urces	
- '	n/a			Assessment Score:	84		t Summary - Increas	Control of the Contro	
Recommend Program Desc					Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Distribution planning has id		of thermal constraint	ts on the system	where "segment	Investments	\$ 3,100,000			4
reconductor" work is warra					necessary to	3,200,000			
urban feeder tie additions a				•	maintain			1	
"feeder and one-half" plan.	•				current			·	
Engineers in Spokane, Big B	•				operations and				
year but the operational pr		•	•	* 1	to extend the				
or emerging voltage issues,					life of current				
Plan.		uju sajabai		Principal States	assets.			All the	
						Annual Cos	t Summary - Increas	e/(Decrease)	
Alternatives:					Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Unfunded Program:	Unfunding segmen	it reconductor and F	DR tie program	will result in thermally	n/a	\$ -	\$ -	\$	25
	overloaded conduc	ctor segments and s	ignificantly comp	promise the electric					
	distribution system	<ol> <li>Loss of load service</li> </ol>	ce capacity woul	d result.					
Alternative 1: Brief name	Describe other opt	ions that were cons	idered		describe any	\$ -	\$ -	\$ -	4
of alternative (if					incremental				
applicable)					changes in				
		<u> </u>			operations				
Alternative 2: Brief name	Describe other opt	ions that were cons	idered	The second	describe any	\$ -	\$ -	- \$	0
of alternative (if					incremental		*		1
applicable)					changes in				
					operations				
Alternative 3 Name: Brief	Describe other opt	ions that were cons	idered		describe any	\$ -	\$ -	\$ -	0
name of alternative (if	į				incremental			1	
applicable)					changes in				
					operations				
Program Cash Flows 5 years of costs					Associated Ers (	(list all applicable): 2514			
	Capital Cost	O&M Cost	Other Costs	Approved		Spokane & West	CDA & East	South Region	
		2.5	4 4 5 1 1 4 1 1 5 5		4				
2012	\$ 4,605,000		\$ -	\$ 3,605,000					
2013			\$ -	\$ 2,860,229	4				
2014	<del>                                     </del>		\$ -	\$ 3,179,993	⊣				
2015			\$ -	\$ 3,735,000					
2016			\$ -	\$ 3,810,000					
2017			\$ -	\$ 4,175,000	<del></del>				
2018			\$ -	\$ 3,650,000				•	
2019	<del>                                     </del>		\$ -	\$ 3,550,000					
Total	\$ 32,225,000	\$	\$ -	\$ 28,565,222	_				
					•				
was a serie de la	_LIAN								
Mandate Excerpt (if applic	aulej.								
C									
Additional Justifications:									
This program is a foundation	nal element of our	overall effort to mai	ntain the electri	delivery system. Whi	e many of the ass	ett management pro	ograms such as WPN	A, PCB transformers,	Worst Feeders, URD
Cable replacement, are targ	geted efforts to mai	ntain or improve rel	liability, this prog	ram specifically identif	ies thermal, volta	ge, and FDR tie issue	s amongst 345 Indiv	idual electric circuits	. This program
represents the collective ef									
			<u> </u>	<u> </u>					
L					Water to the state of the state				
Resources Requirements:	(request forms and o	approvals attached)							
a and a second of							Check the a	ppropriate box. The in	ternal and contract
Internal Labor Availability:	· ·	☐ Medium Probability	☑ High Probablity	Enterprise Tech:	YES - attach form		ulred labor boxes	should be checked to	
Contract Labor:	☐ YES	№ №		Facilities:	YES - attach form		,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	vners have been conta	
				Capital Tools:	YES - attach form		1 4 7	ense of how likely staff	
				Fleet:	YES - attach form	NO or Not Req	uired (this does r	ot require a firm comm	nittment).

#### Key Performance Indicator(s)

**Expected Performance Improvements** 

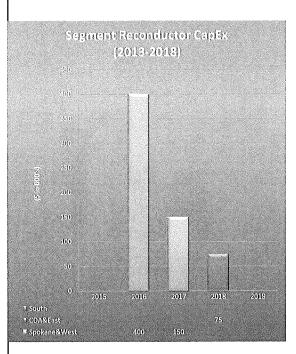
KPI Measure:

Dx System Capacity Increase

Dx System 500A Plan Compliance



Prepared	signature
Reviewed	signature
Nevieweu	Director/Manager
Other Party Review	signature MMMU SKYNEWS
(if necessary)	Director/Manager



ROX 751 - Reconductor (see 2414) Mica Peak Cnv to URD Deer Lake Xing COB 12F2 Green Bluff Tie LOO 12F2 Deer Lk Narrows Xing COB 12F1 Recond Midway 1 Mi DEE 12F2 Bear Lk-Antler Tie DEE 12F2 Recond to LOO 12F1 SOT 522/523 -Recond- 6A WAS781 - Interset Poles LL - Cnv OH to UG (USFWS) LIB 12F2 - Henry Rd Tie CHE 12F1-12F4 Tie on Bowdish U District FDR Tie Trent Ave DEE 12F2 - Recond 2/0 ACSR LIB 12F1-EFM 12F2 Rocky Hill Tie BKR 12F2 - Tie to EFM 12F1 3HT 12F7 Tie U District Loop BKR 12F2 Recond 2/0 CU on Mission EFM 12F1 - State Ln Bridge - Conv OH/UG 9CE 12F4 Recond 336 9CE 12F2 - Tie to Chester 12F2 SLK 12F1 - Recond 2.1 mi C&W 12F4 - Tie to 3HT 12F7 9CE 12F3 Thierman/Mission Rcd 1 mi BKR 12F1 - Liberty Lk 12F2 on Mission CHW12F2- Angel Pk Recond 0.75mi GRN12F1 Tie to CLV12F2 4.5 ml GIF 34F1 - CHW 12F3 FDR Tie CLV 34F1- Kelly Hill Rbid CHW 12F2- Flowery Trail Recond GIF 34F1Midline GRN 12F2 Recond 4.1 Mi Old Kettle Rd CHW 12F4 Recond near Ctnwd Road CLV 12F4 Recond 1.6 ml KET 12F2 - Chg FDR Voltage to 13.2 kV DVP 12F2- Recond 6 miles Hwy 2 SPG 761 - Recond Small CU LIN 711 - Convert to 25 kV - tie Rox751 LIB 12F3 Rcd W Side Lib Lk NW 12F3 tie INT 12F1 Strong Rd URD COB 12F2 Bernhill Rd Rcd 2 ACSR 3HT 12F1-12F5 Tie at Iron Bridge BKR 12F3 Recond 1 mi-Central Premix COB 12F1 - Split FDR BKR 12F3 & SIP 12F3 Recond 1mi 3HT 12F3 Recond 2/0 Switch #980 MIL 12F2 ti to 12F3 Northwoods URD SIP General Upg WAK 12F1-12F4 Tie MIL12F4 tie OPT12F2 Mirabeau URD BEA 12F6-9CE 12F1 Hav. Rcd 1/O ACSR FWT 12F4 - C&W 12F5 River Xing INT 12F2 Recond 2 mile-Rutter Pkwy COB 12F2 Recond Bernhill to Greenbluff INT 12F2 - DEE 12F1 Improve Tie LIB 12F2 Cnv to OH/UG at Mica Pk SUN 12F4 - Reconductor 2/0 @ SIA SUN 12F2 - Replace Sw 475 w/ Recloser DEE 12F1 Midine (protection req.) SUN 12F4 replace midline 249R SIP 12F3 to BKR (Central Premix) LIB 12F1 - EFM 12F2 Rocky Hill Tie BKR 12F3 Recond 2/0 ACSR 1 ml CLV Area Switched Banks CHW 12F3- ARD 12F2 FDR Tie (5 ml UG) LF34F1- Midline CLV 34F1 Midline OSB 521 - Recond/Viper for Coeur Mine OLD - Dx Tie Recond DAL 131 Recond 1.5 mi DAL 131 - Recond 1.4 mi DAL 131 - Recon 0.8 mi (lakeshore) DAL 133 - Add 1-ph 3.1 miles PF 213 - Recond 1.2 mi Riverbend Pk HUE 142 - Extend 3ph 0.5 mi DAL 134- Coldwater Ck Loop BLU 321 Recond 3 mi (Silver Beach) LKV 343 - Conv 6 mi to UG PVW 241 - Ext 1 mi BLU 321- Recond 1.2 mi PIN 442- Recond 1 mi WAL 544-Recond for Star Mine OGA 611 - Recond 1.5 mi PIN 441 - Reconductor FDR Tie SAG 741 - Recond Lignite 9200 ft SPT 4S21 - River Xing & Reloc at Sundowner OLD 721 - create UG loop for Ind Pk RAT 233 - Recond Hwy 41 to 2/O ACSR PVW 243 - Cap Bank Riverbend Comm PF 213 - Recond McGuire Road BLU 321 - Rbld & UG near Tony's Rest CDA 125- Recond #6 Crapo Dalton & 17th CDA 124-Recond NIC Loop HOL 1206 -Recond 3700' SLW 1358 Extend ORO 1281 TEN 1253 - 1 m/ recond & regs CFD 1210 - Recond #6 CU PAL 312 - Add Phase MOS 515 tle to 512 CFD 1211-ext 556 trunk 2miles DRY 1209-rebuild 5mi towards Silcott LOL 1359 - 2-3miles of lateral rbld PDL1201 tie to PDL 1208 PDL 1203 - 3ph loop, so portion TEN 1255 - recond .75 mi at 5th & Cedar TEN 1257 - 1 mi lateral rbld ORO 1281 - 1 mi recond at sub WSU Steam plant - cable & conduit CFD 1211- Regs at 1.5 miles GRV 1273- Regs at Orogrande and E City SWT 2403 - Cap bank at Lapwai WIK1279 - extend 2 ph Hwy 95 & Denver GRV 1272 tie to WIK 1278 so of hwy NLEW13 - addt river xing DRY 1208 tie to PDL 1202 - Fair & 13th SLW 1348 tie to SLW 1358 - 25th & 8th IFG Integration TEN 1256 - midline TEN 1257 tle to LOL 1266 ORO 1281-midline KOO 1299-midline JPE 1287-midline KAM-KOO tieline LEO 611-U/B with M115-N Lew Recond SPU Bishop Blvd URD Inc Cap.

To be completed by Capital Planning Group		
To be completed by Capital Planning Group  Rationale for decision	n de la real de la company	Review Cycles
		2012-2016
	Date	Template

Functional Group: Electric Transmission / Distribution

Business Case Name: Downtown Spokane Electric Network

ER No: ER Name:

2058 Spokane Electric Network Increase Capacity

2237 Metro FDR Upgrade

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$6,4381

# Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	441	-	-	-	-	-	-	-	-	-	183	66	192
2015	2,300	148	148	165	165	165	165	246	246	246	246	181	181
2016	2,298	131	131	154	154	154	154	267	267	267	267	176	176

### **Business Case Description:**

Avista owns and maintains an underground electric network that serves the core business district of downtown Spokane. The network is unique to Avista's electric distribution and requires specialized material, equipment, tooling, and training to perform maintenance repair, planned replacement, and capacity growth projects. The scope of annual capital replacements and additions includes: 10,000 feet of secondary cable, 5,000 feet of primary cable, 15 manholes, and 5 vaults/vault roofs.

#### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name: Reguested Amount	Spokane Elec. N \$2,300,000 annu			Assessments:				PREDMITTOR SELECTION OF THE SELECTION OF	
Duration/Timeframe	n/a	Year Program		Financial:	MH - >= 9% &			1 5 5 5	
Dept, Area:	Engineering			Strategic:	Life Cycle Pro				
Owner:	Rosentrater/Jame	es (updated July 1	16, 2014)	Operational:		quire execution to p on >5 and <= 10	errorm at current i	eveis	
Sponsor:	Don Kopczynski Program			Business Risk: Program Risk:		around cost, sched	fule and resources		
Category: Mandate/Reg. Reference:	n/a			Assessment Score:	97		t Summary - Increas	me Canan accessor and a second	
Recommend Program Desi	C. C				Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Avista owns and maintains		tric network that s	erves the core b	usiness district of	Investments	\$ 2,300,000	\$ 348,251		
downtown Spokane. Topol specialized material, equip replacement, and capacity includes: 7500 feet of seco tranformer replacements, a Spokane Network are appr	ogy in the Network i ment, tooling, and tra growth projects. The ndary cable, 7500 fe and 20 street light re	s unique to Avista aining to perform r e scope of annual c et of primary cable	electric distributi naintenance repa apital replaceme 1, 10 refurbished	on and requires air, planned ats and additions manholes & vaults, 10	necessary to maintain current operations and to extend the life of current assets.				
							t Summary - Increas		
Alternatives:					Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Unfunding Network loss system function		es zero PM activ	ties and an eventual	n/a	Service of the control of the contro	** (1997) ** (19	\$	25
Alternative 1: Brief name of alternative (if applicable)	Describe other opti	ons that were cons	idered		describe any incremental changes in	\$ 12.50   12.50   13.50   1	\$ -	\$	6
2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2 2	2 22 22 23 23 2				operations				\$0.000.000 and \$1.000.000
Alternative 2: Brief name	Describe other opti	ons that were cons	sidered		describe any	\$ -	\$ -	\$ -	0
of alternative (if applicable)					incremental changes in				
<i>аррисаріе)</i>					operations				
Alternative 3 Name: Brief	Describe other opti	ons that were cons	idered		describe any	\$ -	\$ -	\$ -	0
name of alternative (if applicable)					incremental changes in operations				
									***************************************
Program Cash Flows	44446					(list all applicable):			
5 years of costs		00110-0			Current ER		2058 CapX Repl.	2237 Metro PILC	Post St PILC
V-12/2000	Capital Cost	O&M Cost	Other Costs	Approved			Capy Kebi.	MIGHTOFILE	rostotrato
2012	\$ 2,150,000	\$ 315,000	\$ 215,000	\$ 2,150,000		Leading to the second			
2013		\$ 315,000				Market State Commence and Comme		<u> </u>	•
2014		\$ 348,250	A service of the serv	\$ 1,838,000					
2015	\$ 2,300,000	\$ 348,250	\$ 215,000	\$ 2,300,000					
2016		\$ 348,250			4				
2017		\$ 348,250			-4				
2018		\$ 348,250 \$ 348,250							
2019 Total		\$ 348,250 \$ 2,719,500		The same of the sa	-				
	CapX Specific	O&M	O&B						
Mandate Excerpt (If applic	able):								
Various WUTC tariff sch		ted with custome	r classifications	in downtown Spokar	ne. NESC/WAC	C govern public and	l worker safety.		
Engles Services									
Additional Justifications:									
Service to the core busines: enforcement, city governm	direktori melani melan da araba araba araba di sebesah araba di sebesah da di sebesah		NAME AND ADDRESS OF THE AREA		her urban or rura	al areas. This reflects	the importance of c	ontinuous service to	o hospitals, law
Resources Requirements:	request forms and a	pprovals attached)							
Internal Labor Availability: Contract Labor:	Low Probability YES	☐ Medium Probability ☑ NO	✓ High Probability	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	NO or Not Req	uired labor boxes uired resource ow uired a general se	ppropriate box. The li should be checked to vners have been conta nse of how likely staff ot require a firm comi	Indicate if the acted and to provide f will be provided

Other Party Review signature (if necessary)

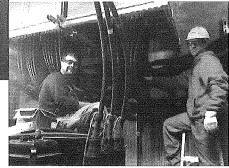


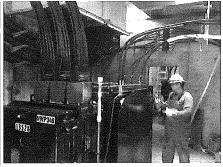
Expected Performance I	dicator(s)
KPI Measure:	Plan to Actual
¥5	· · · · · · · · · · · · · · · · · · ·



Prepared	signature
Reviewed	signature
	Director/Manager
	A 4 (2)

NETWORK	1	1						
	Sec. Cable	Prim. Cable	Xmfr	Vault/MH	St. Lt	Lost Time	Vehicle	Injury
jan	o	0	0	0	0	0	0	0
Feb	0	0	0	0	0	0	0	0
Mar	160	2828	0	0	1	0	0	1
Apr	1000	1794	4	0	2	0	0	0
May	2000	1888	0	0	1	0	0	0
Jun	2506	668	0	1	0	0	0	0
Jul								
Aug								
Sep								
Oct								
Nov								
Dec								
Tot	5666	7178	4	1	4	0	0	1
YE Target	7500	7500	10	10	20	0	0	0





Rationale for decision		Review Cycles 2012-2016
	Date	Template

**Functional Group:** Electric Transmission / Distribution

**Business Case Name:** Storm Related Electric Transmission and Distribution Capital Project

ER No: ER Name:

2051 Electric Transmission Plant-Storm2059 Failed Electric Dist Plant-Storm

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$15,650 1

# Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	957	-	-	-	-	-	-	-	-	-	404	226	327
2015	3,000	389	289	233	215	196	186	245	180	208	242	292	325
2016	2,790	351	261	216	204	191	180	242	174	196	226	264	285

#### **Business Case Description:**

This program will replace cross arms, poles and structures as required due to storms, fires on distribution and transmission lines.

#### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Storms		. Svetske detailere	1					
Requested Amount	\$		3,000,000	Assessments:					
Duration/Timeframe	On-going	Year Program		Financial:	7.00%	<u> </u>			
Dept, Area:	Operations Bryan Cox			Strategic: Business Risk:	Reliability & ca	Reduction >15			
Owner: Sponsor:	Don Kopczynski			Program Risk:		ainty around cost, s	schedule and resc	ources	
Category:	Program				*				
Mandate/Reg. Reference:				Assessment Score:	102	Annual Cost	Summary - Increas	se/(Decrease)	
Recommend Program Desi	cription:				Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program will replace c	rossarms, poles and	l structures as requi	red due to storm	s, fires on distribution	describe any	\$ 3,000,000	\$	\$ -	4
and transmission lines.					incremental changes that				
					this Program				
					would benefit				
					present				
					operations				
-1					l n		Summary - Increas	Se/(Decrease) Other Costs	Business Risk Score
Alternatives: Unfunded Program:	lif we do not replac	ce our failed infastru	ucture due to sto	rms and fire. Avista	Performance n/a	Capital Cost	O&M Cost	\$ -	25
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applicable)					changes in				
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Alternative 3 Name : Brief	Describe other opt	ions that were cons	idered		describe any		\$	\$	0
name of alternative (if applicable)					incremental changes in				
[applicable]					operations				
Program Cash Flows									
	Capital Cost	O&M Cost	Other Costs	Approved		Associated Ers (list	all applicable):	out to	
Previous	Additional Control of the Control	\$ -	\$ -	\$ -		2051			
2014		4 100 100 100 100 100 100 100 100 100 10	\$ -	\$ 9,860,000		0050			
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2017			\$ -	\$ 2,882,700					
2018			\$ -	\$ 2,978,181	[				
2019	the same of the same of the same of the same of	Control of the second of the second of	\$	\$ 3,076,526					
2020+ Total		\$ -	\$ - \$ -	\$ - \$ 24.587.407					
IOtal	3 19,227,407	12	-	\$ 24,587,407					
ER	2015	2016	2017	2018	2019	Total	Mandate Excerpt	(if applicable):	
2051	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 1,100,000	\$ 5,500,000	provide brief ci	tation of the law or	regulation and a
2059	\$ 1,900,000	\$ 1,990,000	\$ 2,082,700	\$ 2,178,181	\$ 2,276,526	27, 17, 17, 17, 17, 17, 17, 17, 17, 17, 1	refe	rence number if po	ossible
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This graph is to provide a place to direct the KPI benefit. Providing a graph is recommended to help communicate what the project is intended to accomplish.  This space is to be used for photographs, charts, or other data that may be useful in evaulating the Program	
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To be completed by Capital Planning Group Rationale for decision Review Cycles	
2012-2016	
Date Template	

Functional Group: Electric Transmission / Distribution

**Business Case Name:** Substation - 115 kV Line Relay Upgrades

ER No: ER Name:

2217 Spokane-CDA 115 kV Line Relay Upgrades

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$1,0751

#### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	262	-	-	-	-	-	-	-	-	-	-	12	250
2015	1,525	-	-	-	-	1,000	-	-	-	525	-	-	-
2016	-	-	-	-	-	-	-	-	-	-	-	-	-

### **Business Case Description:**

The 115 kV Transmission line relaying in the greater Spokane-Couer d'Alene area needs to be upgraded. Per System Protection's revised memo dated 10/25/07, the relaying and communications must be upgraded to eliminate false trips and mis-coordination of relays as well as the requirement to trip lines quickly enough to avoid system transient instability, which could lead to cascading outages. The first two years of the project completed the installation of fiber optic communications to all the required substations. Year Two marked the beginning of relay upgrades in the Spokane area, and the remainder of the project will complete the relay upgrades as planned.

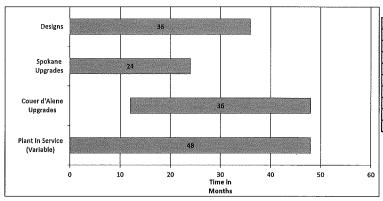
#### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Substation - 115 kV Line Relay Upgrades	A.					
Requested Amount	\$7,274,676	Assessments:					
Duration/Timeframe	7 Year Project	Financial:	Medium - >= 5	% & <9% CIRR			
Dept, Area:	T&D - Substation Engineering	Strategic:	Reliability & Ca	apacity			
Owner:	Heather Rosentrater	Operational:	Operations rec	uire execution to p	erform at current	levels	
Sponsor:	Don Kopczynski	Business Risk:	<b>ERM Reductio</b>	n >0 and <= 5			
Category:	Project	Project/Program Risk:	High certainty	around cost, sched	lule and resource	s 🚆	
Mandate/Reg. Reference:	n/a	Assessment Score:	79	Cost Sui	mmary - Increase/(I	Decrease)	
Recommend Project Descr	iption:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Per System Protection's rev upgraded to eliminate false quickly enough to avoid sy- years of the project comple substations. Year Two mar	ne relaying in the greater Spokane-Couer d'Alene area vised memo dated 10/25/07, the relaying and commun e trips and mis-coordination of relays as well as the rec stem transient instability, which could lead to cascadin ated the installation of fiberoptic communications to a ked the beginning of relay upgrades in the Spokane ar he relay upgrades as planned.	nications must be quirement to trip lines ig outages. The first two Il the required	Improved comm., relay operation, & avoidance of potential large system outage problems.	\$ 7,274,676	\$		1
				Cost Sui	nmary - Increase/(i	Decrease)	
Alternatives:			Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo:	Under certain operating conditions and fault scenarion the greater Spokane-Couer d'Alene area is susceptible transmission outages. Existing protection schemes a operate quickly enough to prevent these scenarios from the sc	le to potentially large nd equipment cannot	n/a	\$ 100,000	\$ 500,000	\$ 500,000	6
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered		describe any incremental changes in operations	\$	\$		0
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered		describe any incremental changes in operations	\$	\$		0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered		describe any incremental changes in operations	\$	\$	\$	0

# Timeline



# Construction Cash Flows (CWIP) Carital Cast 09.84 Cast

	Capital Cost	OWINI COST	Utner costs	Approved
Previous	\$ 2,624,675	\$ -	\$	\$ 2,624,675
2012	\$ 1,000,000	\$ -	\$	\$ 1,000,000
2013	\$ 1,250,000	\$	\$ -	\$ 205,001
2014	\$ 1,250,000	\$ -	\$ -	\$ 75,000
2015	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
2016	\$ -	\$	\$ -	<b> \$</b>
2017	\$ -	\$	\$ -	\$ -
2018	\$ -	\$	\$ -	\$ -
Future	\$ -	\$ -	\$ -	\$ -
Total	\$ 7,124,675	\$ -	\$ -	\$ 4,904,676

# Milestones (high level targets)

Start Communications Infrastructure - Spokane Start Communications Infrastructure - Couer d'Alene January-09 January-10 January-10 Start Relay Upgrades - Spokane

December-10 Complete Communications Infrastructure Continue Spokane Area Relay Upgrades January-11

January-13 Start Couer d'Alene Area Relay Upgrades December-16 Complete Spokane Area Relay Upgrades December-17 Complete Couer d'Alene Area Relay Upgrades

Associated Ers (list all applicable):	2217					ás Sástrá telet	AND CONTRACTOR	En California (Sang Sang San
							la da desarrir e Maios.	
Mandate Excerpt (if applicable):	Obligation to ser	ve: Maintain a	reliable system that	neets customer	demand and relial	olity standards.		

#### Additional Justifications:

This project is already in construction.

Additional documentation is available upon request including System Protection Documentation, Proposed Schedules and Priorities, Internal Substation Memos, meeting notes, etc.

Resources Requirements: (request forms and approvals attached)

#### **Capital Investment Business Case**

Exhibit No. ATTACHMENT 3 Attachment No. \_\_ETD-15.2

AVISTA

Internal Labor Availability: Contract Labor:	YES	☐ Medium Probability ☑ NO	☑ High Probablity	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	✓ NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general
Key Performance Indicator Expected Performance Improver KPI Measure:	ments	elay Upgrades per ye	ar.	Prepared		Mike Magruder, Mana	sense of how likely staff will be provided (this does not require a firm committment).  ger - Substation Engineering
				Reviewed		Heather Rosent	rater, Director - ENSO
				Reviewed	- Ma	Andy Vicker	s, Director - GPSS
				d Control & Meter Panels	NewLin		ttly completed. New relays are high-speed communications via
Old Electromechanica Relays							
To be completed by Ca Rationale for decision	pital Planning Gr	oup					iew Cycles D12-2016

Date

Template

**Functional Group:** Electric Transmission / Distribution

**Business Case Name:** Substation - Asset Mgmt. Capital Maintenance

ER NO. ER Maille.	ER	No:	ER	Name:
-------------------	----	-----	----	-------

2215	System - Replace High Voltage Breakers
------	--

2252 System - Replace/Install Relays

2253 System - Upgrade Meters

2275 System - Rock/Fence Restore

2278 System-Replace Obsolete Reclosers

2280 System - Replace Obsolete Circuit Switchers

2283 Millwood Sub - Rebuild

2293 SCADA - Install/Replace

2294 System - Batteries

2336 System - Replace Dist Power Xfmrs

2425 System - High Voltage Fuse Upgrades

2449 System - Replace Substation Air Switches

2481 System-Replace/Install Capacitor Banks

2492 System-Install Autotransformer Diagnostic Monitor

2493 System-Replace/Upgrade Voltage Regulators

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$ 12,300 1

#### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	229	-	-	-	-	-	-	-	-	-	49	93	88
2015	2,708	221	1	346	163	364	138	221	101	393	263	407	88
2016	4,819	222	2	347	164	365	2,239	222	102	394	264	408	89

# **Business Case Description:**

This program installs, replaces, or upgrades substation apparatus via Asset Management planning or emergency replacements. All obsolete, end-of-life, or failed apparatus are covered under this program. Apparatus includes panel houses and associated equipment, high voltage breakers, relays, metering, surge arresters, rock and fence, low voltage breakers/reclosers, circuit switchers, SCADA systems, batteries and chargers, power transformers, high voltage fuses, air switches, capacitor banks, autotransformer diagnostic equipment, step voltage regulators, and instrument transformers.

#### Offsets:

The System-Install Autotransformer Diagnostic Monitor program includes additional incremental costs in 2016 of \$162,000 (\$106,000 WA). Potential O&M Costs beginning in 2016 are estimated to be \$170,300 with potential O&M savings of \$8,217 annually. The net potential costs from the Autotransformer program is \$162,000.

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.





Investment Name:		set Mgmt. Capital	Maintenance										
Requested Amount Duration/Timeframe	\$4,100,000 40 Year Program			Assessments: Financial:	Medium - >= 5% & <9% CIRR								
Dept, Area:	T&D - Substation Engineering Strategic: Heather Rosentrater Operational:				Life Cycle Programs Operations require execution to perform at current levels								
Owner:													
Sponsor:	Don Kopczynski			Business Risk:	ERM Reduction >5 and <= 10								
Category:	Program			Program Risk:		T	und cost, schedule and resources						
Mandate/Reg. Reference:	n/a			Assessment Score:	89		Summary - Increas	s windertribe New Constitution Constitution					
Recommend Program Des					Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score				
This program installs, repla emergency replacements. Apparatus includes panelho arresters, rock and fence, L' power transformers, HV fu- voltage regulators, and inst	All obsolete, end-of- ouses and associated V breakers/reclosers ses, air switches, cap	-life, or failed appara d equipment, HV bre s, circuit switchers, S pacitor banks, autotr	atus are covered akers, relays, m SCADA systems,	under this program. etering, surge batteries and chargers,	Renew asset life cycle; remove obsolete, end of life apparatus; upgrade; install new apparatus	\$ 4,100,000  Annual Cost	Summary - Increas	\$ -					
Alternatives:					Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score				
Unfunded Program:	Repair or replace e not be possible du customer outages	e to obsolescence. C would result.	ency basis only. Considerably mo	Some repairs would	n/a	\$ 500,000	\$ 1,000,000	\$ 500,000	12				
Alternative 1: Brief name of alternative (if applicable)		ions that were consi			describe any incremental changes in operations	5			0				
Alternative 2: Brief name of alternative (if applicable)	Describe other opt	lons that were consi	dered	The Control of the Co	describe any incremental changes in operations	\$	\$	\$	0				
Alternative 3 Name: Brief Describe other options that were considered name of alternative (if applicable)					describe any incremental changes in operations	\$	\$	<b>\$</b>	0				
Program Cash Flows						list all applicable):							
5 years of costs					2210								
nianibine (sacrane proprince present	Capital Cost	O&M Cost	Other Costs	Approved	2275								
2012	\$ 4,100,000	\$ -	\$	\$ 4,100,000	2326 2449		2343 2492						
2012			\$ -	\$ 4,582,020		2401	2702		Managaran and Anna 2000				
2014			\$ -	\$ 4,100,000	-								
2015			\$ -	\$ 4,100,000	=								
2016	And the second of the second o	10 10 10 10 10 10 10 10 10 10 10 10 10 1	\$ -	\$ 4,100,000	<del>id</del>								
2017	\$ 4,100,000	\$ -	\$ -	\$ 4,100,000									
2018			\$ -	\$ 4,100,000	4								
2019 Total		\$ -	\$ -	\$ 4,100,000 \$ 33,282,020				•					
Mandate Excerpt (if applications: Additional Justifications: In general, this program is reperations beyond currentery operations beyond currentery operations of the second currenters of the	equired for operation	equipment is often r	eplaced with ap	paratus of higher capac	ity and/or newer i								
every opportunity to make Resources Requirements; (			when we perfor	rm Capital Maintenance									
nternal Labor Availability: ☐ Low Probability ☐ Medium Probability ☑ High Probability Contract Labor: ☑ YES ☑ NO			Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	☑ NO or Not Requ ☑ NO or Not Requ ☑ NO or Not Requ ☑ NO or Not Requ	ulred labor boxes ulred resource ov ulred a general se	ppropriate box. The in should be checked to whers have been conta this of how likely staff ot require a firm comm	indicate if the cted and to provide will be provided					

		Attachment NoETD-1
Key Performance Indic Expected Performance Impr KPI Measure:	Prepared	Mike Magruder, Manager - Substation Engineering
	Reviewed	Heather Rosentrater, Director - ENSO
	Reviewed	Andy Vickers, Director - GPSS  Mayu Skwer S
Step Voltage Regulate LV (13 kv) Breaker Sunset Substation	Capital Maintenance - A Hern St 115 kV 115 kV Spill Gaps (to be re	

o be completed by Capital Planning Group Rationale for decision		Review Cycles
		2012-2016
	Date	Template

Sunset Substation - 115 kV Oil Circuit Breaker A-198 HV Breaker - oldest breaker on Avista's system.

Westside Substation

**Functional Group:** Electric Transmission / Distribution

**Business Case Name:** Substation - Capital Spares

ER No: ER Name:

1006 Power Xfmr-Distribution2000 Power Xfmr-Transmission2001 Power Circuit Breaker

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$12,515<sup>1</sup>

# Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	252	-	-	-	-	-	-	-	-	-	6	246	-
2015	5,100	-	-	160	-	560	-	-	400	3,420	400	160	-
2016	6,115	-	-	-	-	650	-	-	900	250	4,315	-	-

#### **Business Case Description:**

This program maintains our fleet of Power Transformers and High Voltage Circuit Breakers. This fleet of critical apparatus is capitalized upon receipt and placed in service for both planned and emergency installations as required. The annual program expenditures may vary significantly in years when an Autotransformer (230/115 kV) is purchased. In years without an Autotransformer purchase, only minor variations will occur based on planned projects as well as replenishing apparatus fleet levels required for adequate capital spares. These are long lead time items so apparatus levels need to be managed.

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

# ATTACHMENT 3 Exhibit No.\_\_(KKS-5) Attachment No.\_\_ETD-17.1



Investment Name: Requested Amount	Substation - Cap \$4,720,000	oital Spares		Assessments:								
Duration/Timeframe	The state of the s	Year Program		Financial:	Medium - >= 5% & <9% CIRR							
Dept, Area: T&D - Substation Engineering				Strategic:		Life Cycle Programs						
Owner:	Heather Rosentrater  Don Kopczynski  Program			Operational:		uire execution t	o perfoi	rm at current l	evels			
Sponsor:				Business Risk:		n >5 and <= 10						
Category:				Program Risk:		around cost, sci						
					89	Annual C	ost Sum	ımary - Increas	e/(Decrease)	nooloo See an College and Coll		
Recommend Program Desc	ription:				Performance	Capital Cost		O&M Cost	Other Costs	Business Risk Score		
This program maintains our critical apparatus is capitall: installations as required. Th Autotransformer (230/115 variations will occur based of adequate capital spares. The	red upon receipt and ne annual program e kV) is purchased. In on planned projects	d placed in service i expenditures may v years without an A as well as replenisi	for both planned ary significantly l autotransformer l ning apparatus fle	and emergency n years when an ourchase, only minor eet levels required for	Renew asset life cycle; meet capacity requirements; adequate spare inventory	\$ 4,720,0				1		
Alternatives:					Performance	Capital Cost	Control of the Contro	imary - Increas O&M Cost	Other Costs	Business Risk Score		
Unfunded Program:	system in the even (reliability), or obli	t of failures (emerg gation to serve (gro	ency), planned sy wth). In addition	o maintain our electric ystem improvements n, some of this reliability and capacit	n/a	\$ -	\$	500,000	\$ 250,000	8		
Alternative 1: Brief name of alternative (If applicable)	Describe other opti				describe any incremental changes in operations	\$	\$		\$	0		
Alternative 2: Brief name of alternative (If applicable)	Describe other opti	ions that were cons		describe any incremental changes in operations		\$		\$	0			
Alternative 3 Name: Brief name of alternative (If applicable)	Describe other opti	ions that were cons		describe any incremental changes in operations	<b>\$</b>	\$		\$	0			
							· · · · · · · · · · · · · · · · · · ·					
Program Cash Flows						list all applicable			1			
5 years of costs			1		1006	20	000	2001				
	Capital Cost	O&M Cost	Other Costs	Approved			_	N. N. S.				
2012	\$ 3,835,000	\$ -	\$ -	\$ 2,535,00				57-13-13-13-13-13-13-13-13-13-13-13-13-13-				
2012	\$ 4,865,000		\$ -	\$ 5,225,10			13.6+15.000	EDBERGER STRANGER		Harris Gelegania Island		
2014	\$ 5,115,000	\$ -	\$ -	\$ 1,950,00								
2015			\$ 4	\$ 6,000,00								
2016		\$ -	\$ -	\$ 4,565,00								
2017	\$ 5,800,000	\$ -	\$ -	\$ 4,200,00	0							
2018	\$ 3,865,000	\$ -	\$ -	\$ 5,065,00	0							
2019	\$ -	\$	\$ -	\$ 4,025,00	0							
Total			\$ -	\$ 33,565,10	t							
Mandate Excerpt (if applica		ar average annual p	rojected spend:	\$ 4,220,01								
Obligation to serve: Long	) lead time capital	spares are requir	ed to meet syst	em needs and servi	ce expectations.							
Additional Justifications:												
Transformers and High Volt spares count. This is manag in general, this is a Life Cycl Commodity pricing and mar	ed closely by Substa e Program for these	ation Engineering w assets. This Progra	rith annual reviev im also includes :	vs of capital spares an a Reliability and Capac	d planned needs. city (improved relia							
Rosaureae Rosulvamantas /	request forms and a	ionrovals attached)										
Resources Requirements: ( Internal Labor Availability: Contract Labor:	7-11-0	ipprovals attached) ☐ Medium Probability ☐ NO	☑ High Probablity	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	✓ NO or Not ✓ NO or Not	Required Required	labor boxes resource ow a general se	ppropriate box. The ir should be checked to rners have been conta nse of how likely staff ot require a firm comm	indicate if the cted and to provide will be provided		



Key Performance Indicator(s)  Expected Performance Improvements		
KPI Measure: Annual capital spares review and sum  Every capital spare will be justified.	Prepared	Mike Magruder, Manager - Substation Engineering
	Reviewed	Heather Rosentrater, Director - ENSO
	Other Party Review signature (if necessary)	Maryu Stwens- Director/Manager
ER 1006: Distribution Power Transformers Older single phase units shown above from Kooskia 115 kV Sub. New 3-phase unit shown below from Idaho Road 115 kV Sub.	ER 2000: Transmission Power Transformers Older unit shown above from Westside 230 kV Sub. New unit (and old one next to it) shown below from Benewah 230 kV Sub.	ER 2001: Power Circuit Breakers Older 115 kV Oil Circuit Breakers (above) from Lolo Sub. New 115 kV Gas Circuit Breakers (below) from Benewah Sub.

Date	Template

**Functional Group:** Electric Transmission / Distribution

**Business Case Name:** Substation - Distribution Substation Rebuilds

ER No:	ER Name:		
2204	System Wood Substation Rebuilds	2567	Chester 115 kV - Rebuild Substation
2285	Sunset Sub - Rebuild	2568	Metro 115 kV - Rebuild Substation
2317	Lyons & Standard 115 Sub-Increase Capacity	2569	Gifford 115 kV - Rebuild Substation
2341	Ninth & Central Sub - Increase Capacity & Rebuild	2889	Mobile Substn-Purchase New Mobile Subs
2502	N. Moscow - Increase Capacity	2590	Deer Park 115 kV Sub – Minor Rebuild
2522	10th & Stewart Dx Int	2395	SE 115 Bus-Upgrd Xfmr and add 12F6
2546	Blue Creek 115 kV - Rebuild	2572	Noxon Construction Sub - Minor Rebuild
2562	Grangeville 115 kV Sub - Rebuild	2573	Little Fall 115 kV Sub – Rebuild
2563	Stratford 115kV - Upgrade Bus	2889	Mobile Substn-Purchase New Mobile Subs
2566	Northwest 115 kV - Rebuild Substation		

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$17,366 1

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	5,872	-	-	-	-	-	-	-	-	-	11	2,840	3,021
2015	2,387	6	6	6	6	6	6	756	6	6	1,114	106	361
2016	5,849	36	36	286	36	1,436	36	36	36	36	3,486	36	351

### **Business Case Description:**

This program replaces and/or rebuilds existing substations as they reach the end of their useful lives, require increased capacity, or cannot accommodate necessary equipment upgrades due to existing physical constraints. Included are Wood Substation rebuilds as well as upgrading stations to current design and construction standards. Some station rebuilds may be initiated by other requirements, including obligation to serve, growth, and external projects. Examples of substation rebuilds to be completed under this program in the next 5 years are Big Creek & Kamiah (Wood Substation), Millwood (Life Cycle), Turner (Smart Grid Investment Grant), Blue Creek (Productivity), Lucky Friday (Growth), and Pine Creek Distribution (Life Cycle).

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

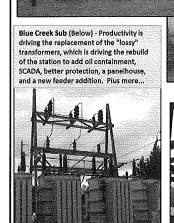
### AVISTA

Investment Name: Requested Amount	Substation - Dis	tribution Station	Rebuilds	Assessments:							
Duration/Timeframe		Year Program		Financial:	MH - >= 9% &	<12%	6 CIRR				
Dept, Area:	T&D - Substation	Engineering		Strategic:	Life Cycle Prog	grams	S				
Owner:	Heather Rosentr	ater		Operational:	Operations imp			ent levels			
Sponsor:	Don Kopczynski			Business Risk:	ERM Reductio			ulo and roc	A117000		
Category: Mandate/Reg. Reference:	Program n/a			Program Risk: Assessment Score:	105					e/(Decrease)	
Recommend Program Desc				Masessineit acore.	Performance	- Computations	Capital Cost	O&M C	COL - 100 C 1270 O	support to an instance and a support of the support	Business Risk Score
This program replaces and/	and a second of the second of	substations as they	reach the end of	their useful lives	Improved	\$	8,168,573	\$	AAA SOO SILIII	\$ -	1
require increased capacity, physical constraints. Includ construction standards. So obligation to serve, growth, completed under this progr Cycle), Turner (SGIG), Blue of the serve in the	or cannot accommo ed are Wood Sub ro me station rebuilds and external proje am in the next 5 ye	odate necessary equ ebuilds as well as up may be initiated by cts (e.g. Smart Grid). ars are Big Creek & k	pment upgrades grading stations other requireme Examples of su 'amiah (Wood Su	due to existing to current design and nts, including bstation rebuilds to be ubs), Millwood (Life	performance, upgraded equipment, better status & control, new life cycle,		Annual Cost	Summary -		e/(Decrease)	
Alternatives:		51 - 5 - 5 - 5			Performance		apital Cost	O&M C			Business Risk Score
Unfunded Program:  Alternative 1: Planned Equipment Replacements.	standard constructions may for required expar Continuation of no leading to conside field crews. This w	tion or equipment was a model additional capsions to meet other on-standard constructions is some and movould only allow for the control of t	ould remain in so pacity for growth (e.g. Regulatory, tion practices ar re dangerous wo minimal improve	or may not be sultable SGIG) needs, ad configurations orking conditions for ments to the subs	within 10 yrs.  Performance remains at current levels;	\$	1,500,000	Control of the contro	10,000		4
Alternative 2: Brief name of alternative (if applicable)		ore Own to maintain		ture and equipment.	min. improve describe any incremental changes in operations	\$		\$	<u> </u>	\$	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other op	ions that were cons	dered		describe any incremental changes in operations	\$		\$			0
Program Cash Flows					Associated Ers (					100	
5 years of costs					2204		2283		2285		2465
	Capital Cost	O&M Cost	Other Costs	Approved	2502 2563		2521 2565		2522 2566		2562 2568
2012	\$ 7,750,000	\$ -	\$ -	\$ 7,750,000	2569	-	2572		2573		2000
2013 2014 2015 2016 2017 2018 2019	\$ 7,680,000 \$ 7,635,000 \$ 7,585,000 \$ - \$ -	\$ - \$ -	\$ - \$ - \$ - \$ - \$ -	\$ 4,798,013 \$ 5,866,082 \$ 6,000,000 \$ 5,500,000 \$ 5,500,000 \$ 8,770,000 \$ 10,170,000							
Mandate Excerpt (if applice Obligation to serve: Special Additional Justifications: This program replaces subst	able); cific substations n	7-year average p	for increased c			rv. rell	iability growth.	and contract	tual or		s. Some
substations, like Lucky Frida Program Link: Substation tr Program Link: Substation d Resources Requirements; (	ny, could be standal ansmission integra istribution integrati	one projects under t tion budget dollars ( on budget dollars (\$	he Mandatory ca \$415k - \$435k) a	itegory since we have to re included in this prog	o meet customer ram.		to a female in the control of the			and Federal (N. Direction, Federal (N.	ora confirma funciona di Persona di Archite di Persona
Internal Labor Availability: Contract Labor:	Low Probability YES	Medium Probability NO	✓ High Probability	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form		✓ NO or Not Requ ✓ NO or Not Requ ✓ NO or Not Requ ✓ NO or Not Requ	ired labo ired reso ired a ge	r boxes urce ow neral se	ppropriate box. The int should be checked to in oners have been contac nse of how likely staff w ot require a firm comm	ndicate if the ted and to provide vill be provided

AVISTA

Exhibit No.\_\_(KKS-5)
Attachment No.\_\_ETD-18.2

Key Performance In Expected Performance In			
KPI Measure:	Complete 3 rebuilds per year,		
	Complete Metro Sub EPC Rebuild by 2018.		
		Prepared	
			Mike Magruder, Manager - Substation Engineering
		Reviewed	
			Heather Rosentrater, Director - ENSO
		Reviewed	
			Andy Vickers, Director - GPSS
			Andy Vickers, Director - GPSS  Maryie SteverS
	Millwood Sub - 1950's vintage		
<b>""</b>	substation. Switchgear and partia	منت الا	The state of the s



Wood sub. Also serves IEP.

Turner Sub (Right) - U (Aug. 2011). To be co

Turner Sub (Right) - Under construction (Aug. 2011). To be completed in 2012. Photos show today's standard design and construction for reference. Rebuilds will be similar construction.



Lucky Friday Sub (Left) - Growth is driving this rebuild as the Lucky Friday Mine is adding between 2-8 MW over the next 10 years starting as early as Fall of 2012. Increasing capacity requiring a rebuild for the required protection, SCADA, oil containment, and a second feeder. Included will be a space for a Mobile Sub installation.

Rationale for decision		Review Cycles 2012-2016
	Date	Template

Functional Group: Electric Transmission / Distribution

**Business Case Name:** Substation - New Distribution Substations

ER No: ER Name:

Tamarack 115Kv Sub-ConstructionDowntown West Sub - Property

Greenacres 115-13kV Sub - New Construct
 Lewiston Mill Road- Dx Line Integration
 Irvin 115-13 kV Sub - Add Distribution Station

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$5,6371

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	412	-	-	-	-	-	-	-	-	-	1	32	379
2015	2,026	-	-	-	-	-	1,900	-	-	-	-	-	126
2016	75	-	-	-	-	-	-	-	-	-	-	-	75

### **Business Case Description:**

This program adds new distribution substations to the system in order to serve new and growing load as well as for increased system reliability and operational flexibility. New substations under this program will require planning and operational studies, justifications, and approved project diagrams prior to funding. Planned new substation projects include Tamarack (NE Moscow), Greenacres and Irvin (Spokane Valley), Hillyard and Downtown West (Spokane). Out years include construction for these and design and construction for one new substation per year on average depending on need and justifications.

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name: Requested Amount	Substation - Nev \$1,430,714	v Distribution St	ations	Assessments:							
Duration/Timeframe		Year Program	Section Section (Section)	Financial:	Medium - >= 5% & <9% CIRR						
Dept, Area:	T&D - Substation			Strategic:	Reliability & Ca	And the Control of th					
Owner:	Heather Rosentra	iter		Operational:	Operations rec			orm at current	evels		
Sponsor:	Don Kopczynski			Business Risk:	ERM Reductio						
Category:	Program			Program Risk:	High certainty			and resources nmary - Increas			
	n/a			Assessment Score:	80	A STATE OF THE PARTY OF THE PAR	electrifices   least life	Worthstein (1920) in the Direct of the Control of t	L. Committee of the Com		
Recommend Program Desc This program adds new dist	•		-d		Performance Improved	\$ 1,430,		O&M Cost	Other Costs	Business Risk Score 1	
well as for increased system require planning and operal This documentation will be Tamarack (NE Moscow), Grout years include construct average depending on need	n reliability and oper tional studies, justifi included with this b eenacres and Irvin (S ion for these and de	ational flexibility. cations, and appro usiness case. Plani ipokane Valley), Hi	New substations ved Project Diagr ned new substation liyard and Downt	under this program will ams prior to funding. on projects include own West (Spokane).	\$1000 Area (#456-450-4673)			nmary - Increas			
Alternatives:					Performance	Capital Cos	an electronic behavior of the second	O&M Cost	Other Costs	Business Risk Score	
Unfunded Program:	Without adding nev adequately meet or	de la companya de la		not be able to	Unable to add load to system; poor system operation.		\$	250,000		9	
Alternative 1: Extend Feeders; Increase Substation Capacitles		ibstations would b ainly reduced relia	e required at a m bility and difficult	A N. PRESIDENT TO SERVICE SERVICE TO SERVICE	Longer outages for more customers; system stress.	\$ 1,000,	5000 \$	150,000	\$ 200 miles 100	6	
Alternative 2: Brief name of alternative (if applicable)	Describe other opti	ons that were cons	ildered		describe any incremental changes in operations	\$ 1000	-   \$		\$ 1000000000000000000000000000000000000	O	
Alternative 3 Name: Brief name of alternative (If applicable)	Describe other opti	ons that were cons	ildered		describe any incremental changes in operations	\$	- \$		\$	0	
Program Cash Flows		200			Associated Ers (	(list all applicab)	e):				
5 years of costs					2274		321	2322		2443	
American Commission of the Com	Capital Cost	O&M Cost	Other Costs	Approved	2459	2	479	2480	2587		
2012	\$ 1,275,000	\$ -	Š -	\$ 250,000				<u>CONTRACTOR OF THE PARTY OF THE</u>	A SANGER CONTROL OF THE		
2012 2013		\$ -	\$ -	\$ 525,000		Red Ballines Visited	0.69   0.05	visional instrument	Landar National Control		
2014		\$ -	\$ -	\$ 3,086,665							
2015		\$ -	\$ -	\$ 1,375,000							
2016		\$ -	\$ -	\$ 1,175,000							
2017	\$ -	\$	\$ -	\$ 2,475,000							
2018		\$ -	\$ -	\$ 2,050,000							
2019		\$ -	\$ -	\$ 1,525,000	-4						
Total	\$ 15,645,000	\$ -	\$ - projected spend:	\$ 12,461,665 \$ 1,562,381							
Mandate Excerpt (If applice Obligation to serve: Subs					oacity and opera	ational reliability	require	ments due to	load growth,		
Additional Justifications:  New distribution substation reliability, incremental distr more easily taken out of ser Program Link: Substation tr Program Link: Substation di	lbution substation ca vice because load ca ansmission integrati	apacity is required in be transferred. ion budget dollars	. This allows for i (\$20k - \$3.45M) a	mproved operational fl are included in this prog	exibility, better sy gram. The Bovill S	ystem reliability, Sub transmission	and eas	ler routine mair udgeted for \$3.	itenance scheduling 45M in 2013.		
Resources Requirements: (	request forms and a	pprovals attached)						1 10 10 10 1			
Internal Labor Availability: Contract Labor:		☑ Medium Probability ☐ NO	☐ High Probability	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	☑ NO or No ☑ NO or No	t Required t Required	labor boxes resource ov a general se	ppropriate box. The in should be checked to wners have been conta wase of how likely staff ot require a firm comm	indicate if the cted and to provide will be provided	

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No. ETD-19.2

Expected Performance In	nprovements		
KPI Measure:	Energize new subs before need as justified.		
		Prepared	

Prepared	
•	Mike Magruder, Manager - Substation Engineering
Reviewed	
	Heather Rosentrater, Director - ENSO
Reviewed	
	Andy Vickers, Director - GPSS

Margistevens

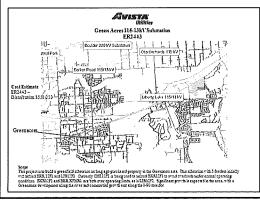
Justification

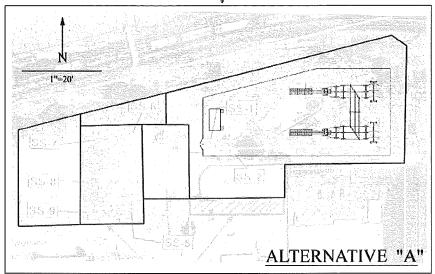
Tamarack will initially unload 2 feeders – Moscow 115 513 and 514

These are long feeders that serve both suburban and rural load.

The Moscow 115 transformers are loaded to 65% and 85% (Winter 2009), with more load projected primarily west of Moscow. Shifting load between Moscow subona would allow in to bettle configure feeds for the town, particularly from North Moscow (Which, is in a less than ideal location.

Potential Tamanack Location





Upper Left: Project Diagram and preliminary Justification for Tamarack Sub (NE Moscow).
Lower Left: Project Diagram and Scope for Greenacres Sub (Spokane Vailey).
These Project Diagrams and associated background Information via Distribution Planning studies are a requirement for any new substations to be funded under this Program. Each study will be included with the Business Case for reference.

Above: Shown is a preliminary design for a potential new substation in the University District in downtown Spokane. The property has been secured and as electric load increases in the U-District, this new substation will need to be constructed ahead of the need to ensure we have the required capacity and system reliability. In addition, this new sub will improve overall operational flexibility to serve all of our electric load in the U-District vicinity. Construction could occur in the next 3-10 years depending on the load growth.

To be completed by Capital Planning Group		
Rationale for decision		Review Cycles
		2012-2016
	Date	Template

Functional Group: Electric Transmission / Distribution

Business Case Name: Tribal Permits and Settlements

ER No: ER Name:

2301 Tribal Permits and Settlements

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$ 2,245 1

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	110	-	-	-	-	-	-	-	-	-	-	-	110
2015	1,430	119	119	119	119	119	119	119	119	119	119	119	119
2016	316	26	26	26	26	26	26	26	26	26	26	26	26

### **Business Case Description:**

Avista has hydroelectric, transmission, distribution and substation facilities located on the Coeur d'Alene, Colville, Flathead (Salish/Kootenai), Nez Perce and Spokane Tribe Reservations. These facilities are essential components of our energy resource and delivery systems. Avista is required to obtain permits from the Bureau of Indian Affairs (BIA) for its facilities on land held in trust by the federal government for Tribes and/or individual tribal members. Through some of its tribal settlements, Avista obtained the necessary tribal consent and BIA permits for its facilities on tribal trust land. However, Avista needs to renew approximately 700 rights of way permits for other facilities on Trust Land. The original permits were obtained 50+ years ago and the renewal process can be time-consuming (multiple years) and costly. Some of the permits may be in a trespass situation. Avista is actively working with the BIA and the Tribes to file renewal applications and complete the renewal process.

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Tribal Permits a	nad Settlements		Assessments:					The state of the s	
Requested Amount Duration/Timeframe	5 years	Year Program		Financial:	High - Exceed	s 12% CIRR				
Dept, Area:	Real Estate for N		Relations	Strategic:	Reliability & Co					
Owner:	Toni Pessemier			Operational:		uire execution	to perforn	n at current	levels	
Sponsor:	Jason Thackston			Business Risk:	<b>ERM Reductio</b>	n >5 and <= 10				
Category:	Program			Program Risk:	High certainty	around cost, sc	hedule ar	nd resource	8	
Mandate/Reg. Reference:	25 U.S.C. 323 &	357; 25 CFR 169		Assessment Score:	94	Annual (	Cost Sumn	nary - Increa	se/(Decrease)	
Recommend Program Desc	ription:				Performance	Capital Cost	l c	&M Cost	Other Costs	Business Risk Score
Avista has hydro, transmiss Flathead (Salish/Kootenai), components of our energy Bureau of Indian Affairs (Bland/or individual tribal mer tribal consent and BIA perm approximately 700 rights of obtained 50+ years ago and Some of the epermits may be to file renewal applications	Nez Perce and Spok resource and deliver A) for its facilities on mbers, through sorn hits for its facilities of f way permits for ott I the renewal proces e in a trespass situal	ane Tribe Reservat ry systems. Avista land held in trust le of its tribal settl n tribal trust land. ner facilities on Tru s can be time-cons ion. Avista is activ	tions. These facili is required to obt by the federal go ements, Avista ob However, Avista ist Land. The orig suming (multiple	ties are essential rain permits from the vernment for Tribes valued the necessary needs to renew linal permits were years) and costly.	Maintaining facilities in existing locations versus costs of having to relocate	\$ 325,0	00 \$		\$ 1000000000000000000000000000000000000	8
		2014 N. D-P-1-1, VEGOV - 121, C. DEC		The state of the s	*	Annual (	ast Sumn	nacy - Increas	se/(Decrease)	
Alternatives:		ACCOUNT OF THE REAL PROPERTY.			Performance	Capital Cost		&M Cost		Business Risk Score
Unfunded Program:	<ul> <li>A Description of the property of</li></ul>	ation exposing the	e company to litig	pire, our facilities will gation and poor media to re-route lines.	Lines could be removed from service impacting	\$ 10,000,0	CONTRACTOR AND STREET		\$ 1,000,000	16
	Relocation of distri facilities off reserve involve unplanned surveys, title repor	ition and onto roa man-hours, fleet a	d rights of way or nd equipment, as	private property would	Restore service to today's system.	\$ 10,000,0	00 \$			0
Alternative 2: Brief name	Describe other opt	ons that were con	sidered		describe any	\$	\$		\$ -	0
of alternative (if applicable)					incremental changes in operations					
Alternative 3 Name: Brief	Describe other opt	ons that were con	sidered		describe any	\$ -	\$		\$ 440 000 000 000	- 0
name of alternative (if applicable)					incremental changes in operations					
Program Cash Flows					Associated Ers (	iist all applicable	);			
5 years of costs					Current ER	23	301			Vancous participa
	Capital Cost	O&M Cost	Other Costs	Approved						
								<u>allaradanta</u>	topo e te oberčeni tavaja.	
2012		\$ -	\$ -	\$ 325,000				enteles.		a Paras James Salah
2013		\$ -	\$ -	\$ 325,000						
2014		\$ -	\$ -	\$ 500,000						
2015	the state of the s	\$ -	\$	\$ 1,430,000	j					
2016	\$ 250,000	\$ 10000	\$ -	\$ 315,000	]					
2017	\$ 300,000	\$ -	\$ -	\$ 300,000						
2018	\$ 250,000	\$ -	\$ -	\$ 250,000	}					
2019	\$ -	\$ -	\$ -	\$ 150,000						
Total	\$ 3,200,000	<u> </u>	<b>  \$</b>	\$ 3,595,000	<b>]</b> .					
Mandate Excerpt (if applice 25 U.S.C. 323 (Tribal Tru Additional Justifications:		C. 357 (Allotted	Lands) and 25 (	CFR 169 (process)						
If Avista is unable to obtain damages and the requireme and the requirements: (A	ent that it move, at s	ubstantial epense,	, its lines and faci		s, the financial ris	k to Avista is sign	ificant. Fo	r example, A	vista could be expose	d to trespass
vesources vedansusausu(2: ()	request jui nis und d	ррготиз исаспеа)						I - I - I - I - I - I - I - I - I - I -		
Internal Labor Availability: Contract Labor:		☐ Medium Probability ☐ NO	☐ High Probability	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	✓ NO or Not I ✓ NO or Not I ✓ NO or Not I ✓ NO or Not I	Required Required	labor boxes resource ov a general se	ppropriate box. The Int should be checked to li wners have been contac anse of how likely staff v oot require a firm comm	ndicate if the ted and to provide vill be provided

ATTACHMENT 3

Exhibit No.\_\_(KKS-5)
Attachment No.\_\_ETD-20.2

Key Performance Indic				_
KPI Measure:		ne of the KPI here		
	Fill in the nan	ne of the KPI here		
2500 T			Prepared	signature
Year				
2000 Hours	<u> </u>			
Base I				
1500 Projec			Reviewed	signature
1000 Poly. (	(Hours)			Director/Manager
500				SAM. 166
	The state of the s	This graph is to provide a place to direct	Other Party Review	w signature Mawa Stevers
0 1 2	3 4	the KPI benefit. Providing a graph is	(if necessary	
-500		recommended to help communicate		,
		what the project is intended to		
	This space i	s to be used for photographs, charts of	or other data that ma	ay be useful in evaulating the Program
	11110 000001	o to be acca for priotographic, charte,	or other data that the	ay bo doord in ordinating tho i rogiani

completed by Capital Planning Group onale for decision		Review Cycles 2012-2016
	Date	Template

AVISTA

Functional Group: Electric Transmission / Distribution

**Business Case Name:** Worst Feeders

ER No: ER Name:

2414 Sys-Dist Reliability-Improve Worst Feeders

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$5,809<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	1,351	-	-	-	-	-	-	-	-	-	0	0	1,350
2015	1,999	21	21	21	21	21	21	21	21	21	21	21	1,770
2016	2.000	100	100	125	125	125	125	250	250	250	250	150	150

### **Business Case Description:**

Initiating in 2009, ER 2414- "Worst Feeders" was proposed by Asset Management to improve the service reliability of the Company's worst performing electric distribution circuits. Many rural feeders significantly exceed the Company SAIFI target of 2.1. This program is coordinated through divisional Area Engineers to identify treatment of these feeders. Work plans may include, reconstruction, hardening, vegetation management, conversion from overhead to underground, enhanced protection, and relocation.

### Offsets:

O&M offsets associated with this business case may occur in the future, however, they are not quantifiable at this time.

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_ETD-21.1

Investment Name:	Underperformin	g Elec Ckts (Wo	rst FDRs)	1.					
Requested Amount Duration/Timeframe	\$2,000,000 on-going	Year Program		Assessments: Financial:	Medium - >= 5	5% & <9% CIRR			
Dept, Area:	Engineering/Ope			Strategic:	Life Cycle Pro	Annual Committee of the			
Owner:	Rosentrater/Jame		16, 2014)	Operational:		quire execution to	perform at current	levels	
Sponsor:	Don Kopczynski			Business Risk:	<b>ERM Reductio</b>	on >5 and <= 10			
Category:	Program			Program Risk:	Moderate certa	ainty around cost,		AND THE RESIDENCE OF THE PROPERTY OF THE PROPE	
Mandate/Reg. Reference:	n/a			Assessment Score:	84	Annual Cos	t Summary - Increa	se/(Decrease)	
Recommend Program Des	A STATE OF THE PARTY OF THE PAR				Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Initiating in 2009, ER 2414- reliability of the Company's significantly exceed the Coi Engineers to identify treatr vegetation management, c	worst-performing e mpany SAIFI target o nent of these feeder	electric distribution of 2.1. This program s. Work plans may	circuits. Many ro is coordinated t include, reconst	ural feeders hrough divisional Area ruction, hardening,	Improve the overall system performance of the Company's "top ten" worst feeders.				
						Annual Cos	t Summary - Increa	se/(Decrease)	
Alternatives:					Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	A service of a first of the second contribution of the	customer contacts		astructure ages and nd state government	Ten to twenty rural FDRs whose SAIFI exceeds 10		\$ -	\$	20
50% funding	Funding at \$1,000, feeders.	000 would restrict o	current treatmer	t to top five worst	annual spend restricted to top five worst feeders	\$ 1,000,000	\$	\$	12
25% funding	Funding at 500,000 (adding midline red			ced protection only	work plan restricted to enhanced protection	\$ 500,000	\$ -	\$ 200	
					describe any incremental changes in operations	\$	\$	\$	0
				200000000000000000000000000000000000000					
Program Cash Flows						(list all applicable):			T
5 years of costs					Current ER	2414	Cardaga, sabbaga	t Albert Herrican traction	sasingapa habbahi
general trace distributions and account	Capital Cost	O&M Cost	Other Costs	Approved					
2012	\$ 2,000,000	\$ -	\$ -	\$ 1,500,000					
2012		<del></del>	\$ -	\$ 1,741,750			<u> Paragalanan sa </u>	1 1.30 80 80 00 00 00 00	No. 10 Control of the
2014	**************************************	\$ -	\$ -	\$ 1,808,800	-				
2015	The state of the s	\$ -	\$ -	\$ 2,000,000	-				
2016	\$ 2,000,000	Angens Kanaka	POST PROPERTY	\$ 2,000,000					
2017	\$ 2,000,000			\$ 2,000,000					
2018	\$ 2,000,000	\$	\$ -	\$ 2,000,000					
2019	1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	\$ -	\$	\$ 2,000,000					
Total	\$ 16,000,000	\$ -	\$ -	\$ 15,050,550					
Mandate Excerpt (if applic	able);								
				25 VIII - 1					
Additional Justifications: Any supplementary informa	ation that may be us	eful in describing in	a more detail the	nature of the Program,	the urgency, etc.				
Resources Requirements:	request forms and a	pprovals attached)							
Internal Labor Availability: Contract Labor:	☐ Low Probability  ✓ YES	✓ Medium Probability ☐ NO	High Probablity	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	✓ NO or Not Req ✓ NO or Not Req	ulred labor boxe ulred resource o ulred a general s	appropriate box. The i s should be checked to wners have been cont ense of how likely staf not require a firm com	Indicate if the acted and to provide f will be provided



Key Performance In Expected Performance I	
KPI Measure:	Monitor SAIFI
***************************************	Britania de la Compania de Com



Prepared	signature		
	,		
Reviewed	signature		
		Director/Manager	
er Party Reviev	v signature	Marin Stevens	
(if necessary		Director/Manager	

Rank 1 2 3	Ave 21.02 10.44 7.40	Rank 1 2	Ave <u>3</u> y 13.07 8.97	7 v. 7yr 38% 14%	Rank 3	1yr v 3yr 23%	
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			F		12	41%	
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4	7.19	3	7.47	-4%	10	21% -24%	
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ationale for decision		Review Cycles 2012-2016
	Date	Template

**Functional Group:** Electric Transmission / Distribution

**Business Case Name:** Spokane Valley Transmission Reinforcement

ER No: ER Name:

2446 Irvin Sub - New Construction

2474 Beacon-Boulder #2 115: Capacity Upgrade2552 Opportunity 115 kV Switching Station

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$10,7101

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	1,900	-	-	-	-	-	-	-	-	-	-	-	1,900
2015	2,900	-	-	-	-	-	-	-	-	-	-	2,300	600
2016	7,440	-	-	-	-	-	-	-	-	-	5,400	-	2,040

### **Business Case Description:**

The Spokane Valley Transmission Reinforcement Project includes rebuilding 4.4 miles of the Beacon - Boulder #2 115 kV Transmission Line, constructing the new Irvin Switching Station, rebuilding 1.75 miles of the Irvin - Opportunity 115 kV Tap, installing circuit breakers at Opportunity Substation, and constructing a new 2.2 mile 115 kV transmission line from Irvin to Millwood/Inland Empire Paper. The completion of these projects are required to mitigate existing and future performance and reliability issues of the Transmission System in the Spokane Valley.

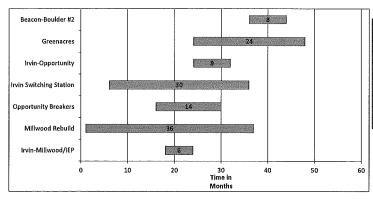
### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Spokane Valley Transmission Reinforcement									
Requested Amount	\$13,736,503	Assessments:								
Duration/Timeframe	5 Year Project	Financial:	Medium - >= 5	% & <9% (	JIRR					
Dept, Area:	T&D - Substation & Transmission Engineering	Strategic:	Reliability & Ca	pacity						
Owner:	Heather Rosentrater	Operational:	Operations req	uire execu	tion to p	erform a	current	levels		
Sponsor:	Don Kopczynski	Business Risk:	ERM Reduction	n >0 and <	= 5					
Category:	Project	Project/Program Risk:	High certainty a	around cos	t, sched	fule and i	esource	S		
Mandate/Reg. Reference:	n/a	Assessment Score:	78.5		Cost Sui	mmary - li	rcrease/(	Decreas	e)	
Recommend Project Descr	lption:		Performance	Capital	Cost	0&1	1 Cost	Ot	her Costs	Business Risk Score
the Irvin - Opportunity 115 new 2.2 mile 115 kV transn	ssion Line, constructing the new Irvin Switching Station, kV Tap, installing circuit breakers at Opportunity Substanission line from Irvin to Millwood/IEP. The completion g and future performance and reliability issues of the Tr	tion, and constructing a of these projects are	Access to the Total Consideration of the							
Land San Control State Control			1 equipment		Cost Sui	nmary - li	crease/(	Decreas	e)	
Alternatives:		HILLSON STATE	Performance	Capital	Cost	084	1 Cost	Of	her Costs	Business Risk Score
Status Quo:	Heavy thermal loading (>90%) is projected to occur on in the near term planning horizon. Presently the Beacc Transmission Line cannot be taken out of service to be to operational constraints serving IEP's new synchrono	on - Boulder #2 maintained/rebuilt due	n/a	\$		\$	-	\$		6
Status Quo :  Alternative 1: Partial Transmission System Upgrades	in the near term planning horizon. Presently the Beacc Transmission Line cannot be taken out of service to be	on - Boulder #2 maintained/rebuilt due us motor load. vacitor banks and	n/a Thermal load	\$	500,000					
Alternative 1: Partial Transmission System Upgrades Alternative 2: Irvin Plan	in the near term planning horizon. Presently the Beacc Transmission Line cannot be taken out of service to be to operational constraints serving IEP's new synchrono Upgrade existing Transmission System by installing cap rebuilding 115 kV transmission lines with 795 ACSS cor	on - Boulder #2 maintained/rebuilt due us motor load. vacitor banks and aductor. Further capital	n/a Thermal load reduced in near term planning	\$ 9,		\$		\$		6





### Construction Cash Flows (CWIP)

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 40,559	\$ -	\$	\$ 40,559
2012	\$ 3,700,000	\$ -	\$	\$ 3,700,000
2013	\$ 4,150,000	\$ -	\$ -	\$ 966,944
2014	\$ 2,940,000	\$ -	\$ -	\$ 1,820,000
2015	\$ 1,500,000	\$ -	\$ -	\$ 4,375,000
2016	\$ -	\$	\$ -	\$ 4,515,000
2017	\$	\$ -	\$	\$ -
2018	\$	\$ -	\$ -	\$ -
Future	\$ -	\$ -	\$ -	\$ -
Total	\$ 12,330,559	\$ -	\$ -	\$ 15,417,503

150	lesto	1201202402	2 10 2 29	100000000		2000
928 KVCH	iesto	nesn	HEIL	EVE	THE	CESE

January-12	Construct Irvin-Millwood/IEP 115 line
January-12	Rebuild Millwood Sub (not included in Project)
January-12	Build Irvin 115 kV Switching Station
January-12	Install breakers at Opportunity
January-13	Rebuild Irvin-Opportunity 115 kV line
January-13	Construct Greenacres Sub (not included in Project
January-15	Rebuild Beacon-Boulder #2 115 kV line

December-12 Complete construction (terminate Irvin end of line when Irvin is completed - 2014) September-13 Complete rebuild

December-16 Complete 115 kV Switching Station; Add Distribution later December-14 Complete installation

December-13 Complete rebuild April-15 Complete construction December-15 Complete rebuild

Associated Ers (list all applicable):	1006 2001 2446 2474 2526 2552	
WIND THE PROPERTY OF THE PROPE		ā.
	With continued load growth, violation of TPL-002, R1 (ability to supply projected customer demands under	53
	N-1 contingency conditions) will likely occur.	

### Additional Justifications:

In 2009, The Irvin Project report was reviewed and approved by stakeholders in the Engineering, Operations, and Planning Groups at Avista. A superior project, or collection of projects, was selected to mitigate existing and future performance and reliability issues of the Transmission System in the Spokane Valley. These projects, identified as Option 4a in The Irvin Project, and reiterated in the System Planning Interoffice Memorandum SP-2009-03 – Summary – Irvin (Spokane Valley Transmission Reinforcement) Project are Illustrated in Project Diagram SP-0220 – Irvin Project. Further updates are provided in Interoffice Memorandum SP-2011-07 - Spokane Valley Transmission Reinforcement (Irvin Project). All documents are posted on Transmission System Planning SharePoint Site.



Resources Requirements:	(request forms and	approvals attached)					
Internal Labor Availability: Contract Labor:	Low Probability YES	✓ Medium Probability ☐ NO	High Probablity	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	☑ NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general
Key Performance Indicato Expected Performance Improve KPI Measure:				55000 0000 000			sense of how likely staff will be provided (this does not require a firm committment).
				Prepared	N	like Magruder/Ken Swelga	t, T&D Substations/Transmission
				Reviewed		Heather Rosenti	rater, Director - ENSO
				Reviewed	•	Andy Vickers	s, Director - GPSS
	·		**************************************	7. N. W	M	Largi Ster	ung
				in Project" and power uring specific outage		<b></b>	
	20 MVA Transformers	Nev	33.5 MVAr 20 MVA	Spokane Industrial Asia Asia Asia Asia Asia Asia Asia Asia	Existing 115 kV Transmission Line Proposed 115 kV Transmission Line Proposed 115 kV Transmission Line Proposed 115 kV Transmission Line To Otic		To the state of th
Open (SCADA controll  New Irvin Switching St Capacitor Bank and tw  Replace 1.74 miles of	N/A Transformers & 4 Fe ed) provides Back-Up se ation, Breaker & a Half, ' o 20 MVA Transformers 4/0 ACSR conductor with ially a double circuit line.	rvice for IEP Load. 15kV 33.5 MVAr & 4 Feeders.		cuit MEWICO AVA	AZ 10 BPA Trentwood	- I	
Feeders and four MEV  New 2.19 miles Single frvin to Milhvood/IEP lis	Circuit 556 AAC (IEP Ta ne.			Irvin Proj Project Diagram: SPOKANE, WASH RIGINAL DATE	SP-0220		
NO. Date	REVISION N	DTES			12 a V g/4		The Annual Control Con
To be completed by Ca Rationale for decision	pital Planning G	roup				Revi	ew Cycles
							12-2016
					Date		Template

Functional Group: Electric Transmission / Distribution

Business Case Name: Clearwater Substation Upgrades

ER No: ER Name:

2571 Clearwater 115 kV Substation Upgrades

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$ 2,300<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	506	-	-	-	-	-	-	-	-	-	-	6	500
2015	500	-	-	-	-	-	-	-	-	-	500	-	-
2016	500	-	-	-	-	-	-	-	-	-	500	-	-

### **Business Case Description:**

Clearwater 115 kV Substation Upgrades. Several components in this station have reached their life cycle and need to be replaced. Some of the station components are non-standard and relatively unreliable. This project will upgrade the station by adding a 115 kV bus sectionalizing breaker and associated air switches on the section of bus between the two power transformers for better operational flexibility and restoration. This work includes construction of a 115 kV line terminal and relocation of 2 lines, upgrading metering, and adding SCADA. This is very difficult work in this particular station and this customer requires continued operation during construction. The protective relays and associated communication system will be upgraded to improve reliability of service.

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name: Requested Amount	Assessments:								
Duration/Timeframe	\$3,700,000	Year Project		Financial:	7,00%				
Dept, Area:	T&D - Substation		. 426 ms. #86476-ms. kgc s	Strategic:	Reliability & Ca	anacity			H. S. & C. S. & C. S. & C. & C. & C. & C.
Owner:	Heather Rosentr			Business Risk:		Reduction >15			
Sponsor:	Don Kopczynski			Project Risk:		around cost, sche	dule and resource:	9	
Category:	Project			Trojece Mon.	ragaroonaany	arouna coor, cono	adio dita roccaroc	<u> Yaning wil and an and an alle</u>	
Mandate/Reg. Reference:				Assessment Score:	#NAME?	Annual Cos	t Summary - Increas	se/(Decrease)	
Recommend Project Descr				I I	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Clearwater 115 kV Substation		al components in th	ols station have re	ached their life cycle	better	S -	\$ -	\$ -	1
and need to be replaced. S					operational				
This project will upgrade th					flexibility,				
switches on the section of h	CONTRACTOR CONTRACTOR		teritorio Evidencia de la		improved				
restoration. This work inclu				AND THE PROPERTY OF THE PARTY O	system comms				
metering, and adding SCAD					and metering				
requires continued operation					and metering				
system will be upgraded to									
system will be approach to	iniprove (chability (	A SCI VICC.							
						Annual Cos	t Summary - Increas	se/(Decrease)	
Alternatives:					Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	The existing station	n is a single bus with	n "sliding link" air	switches that are	n/a	\$ 100,000	\$ 50,000	\$ 1,000,000	6
	extremely dangero	us to operate. A 11	.5 kV fault in the :	station will shut down					
	d. Existing meters are								
	obsolete and routi	nely cause problem	s						
Alternative 1: Brief name	Several options we	re discussed with C	learwater Paper (	Co. The recommended	describe any	\$ -	\$ -	\$ -	1
of alternative (if	\$1000 CANADA CAN			to meet both parties'	Incremental				
applicable)	The committee of the Annual Assessment Control of	no other alternative	Street of the complete and a first of the action	医骶髓髓 医克里氏虫 医动脉性 医动物 医动物 医动物 医动物 医皮肤炎	changes in				
No. Constitution of the Co	Business Case.				operations				
Alternative 2: Brief name	the second secon	ions that were cons	idered		describe any	Š -	\$ <u>-</u>	\$ -	0
of alternative (if					Incremental				
applicable)	Pagaraga.				changes in				
оррисарие/					operations				
Alternative 3 Name : Brief	Describe other ent	lons that were cons	Idarad		describe any	\$ -	\$ -	\$ -	0
name of alternative (if	Describe officer opt	ions that were cons	idered		Incremental	13			
applicable)					Laborated States in Section				
applicable)					changes in operations				
			#8868 (2016 Detection)		Operations				SANGE NEW PROPERTY.
Program Cash Flows									
CONTRACTOR	Capital Cost	O&M Cost	Other Costs	Approved		Associated Ers (list			
Previous		\$ -	\$ -	\$ -		2571			555-65 15-51 15-51
2013		\$ -	\$ -	\$ 800,000					22.52.21. \200.000
2014		\$ -	\$ -	\$ 1,300,000					
2015		\$	\$ -	\$ 500,000			PERSENAL SERVICES		
2016		\$ -	\$ - \$ -	\$ 500,000 \$ -					
2017+ Total		\$ - \$	\$ - #	AND ADDRESS OF THE PROPERTY OF					
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Milestones (high level t	targets)								3
March-13	Sub Design Begi	ne	Spring-14	T-line Shoofly Const		Spring 16	Upgrade Transfo	rmor n '	
June-13	UT2 - 34 kV Bkr I		Summer-14	115 kV Bus Sect. Bl		Spring-16 January-00	open	Milestones si	ould be general.
July-13	T-Line Design Be		Fall-14	Commission Tie Bre		January-00	open		gement on project
September-13	UT2 - 34 kV Bkr I		Winter-14	Upgrade SCADA		January-00 January-00	open	progress so tl	nat progress can
Winter-13	115 kV Sub Desi		Spring-15	Upgrade Lolo 2 Rela	avs	January-00	open		
Spring-14	115 kV Bay Cons		Fall-15	Upgrade N Lewistor		January-00	open		
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Resources Requirements: (		pprovals attached)							
Internal Labor Availability:	Low Probability	Medium Probability	☑ High Probability	Enterprise Tech:	ES - attach form [	NO or Not Required	Capital Tools:	YES - attach form 🕡 N	O or Not Required
Contract Labor:	YES	☑ NO		The second second		NO or Not Required			O or Not Required
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### Avista:

			Attach	ment NoE1D-23.2
Key Performance Indicator(s)				
Expected Performance Improvements				
KPI Measure: Fill in the name of the KPI here Fill in the name of the KPI here				
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1.2		Prepared		
#REFI			Mike Magruder/Ken Sweigart, T&D	Substations/Transmission
#REFI				
0.8 ——Project FO Rate				
Poly. (#REF!)		Reviewed	Heather Rosentrater, D	irostor ENSO
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	to be rebul	t in substation.	7448	
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	<b>)</b> 4 5)	Sliding link switches to b replaced with gang-oper		replaced/moved to new 115 kV line terminal location west of
		air switches (and a bus		
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To be completed by Capital Planning Group		
Rationale for decision		Review Cycles 2012-2016
	Date	Template

Functional Group: Electric Transmission / Distribution

**Business Case Name:** Franchising for Washington State Department of Transportation ("WSDOT")

ER No: ER Name:

7108 WSDOT Highway Franchise Consolidation

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$1,0861

### Transfer to Plant Amounts (\$000s - System):

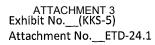
Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	759	-	-	-	-	-	-	-	-	-	-	-	759
2015	427	36	36	36	36	36	36	36	36	36	36	36	36
2016	494	41	41	41	41	41	41	41	41	41	41	41	41

### **Business Case Description:**

Obtain franchise renewals for existing facilities on WSDOT rights of way. We have hundreds of miles of Transmission and Distribution facilities within WSDOT rights of ways. Maintaining our right to be there allows for the continued operation of those facilities without additional negative impact to our ratepayers or the Company.

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.





Investment Name:	Franchising for V	VSDOT					No.			
Requested Amount Duration/Timeframe	\$265,000 20	Year Program		Assessments: Financial:	Medium - >= 5	% & <9% CIRR				
Dept, Area:	Environmental			Strategic:	Life Cycle Prog	VV-1540 1 to 1500 1				
Owner:	Rod Price (Mgr) B	ruce Howard (Dir		Operational:	Operations sor	mewhat impacted	by execut	tion		
Sponsor:	Marian Durkin			Business Risk:		n >5 and <= 10				
Category:	Program			Program Risk:		around cost, sch		Charles Monarchy (propagation)	400000000000000000000000000000000000000	
Mandate/Reg. Reference:	n/a			Assessment Score:	81	Annual Co	st Summar	ry - Increase	e/(Decrease)	Woodless out to be a second as a second
Recommend Program Desc					Performance	Capital Cost		M Cost	Other Costs	Business Risk Score
Obtain franchise renewals f Transmission and Distributi allows for the continued op or the Company.	on facilities within W	SDOT rights of way	s. Maintaining o	ur right to be there	Present operation performance will remain	\$ 265,00			\$	1
					Daufara anas	Capital Cost		ry - increase M Cost	e/(Decrease) Other Costs	Business Risk Score
Alternatives: Unfunded Program:	requiring that we re new facilities to WS system as required.	elocate our facilities DOT properties if n	i. In addition, we eeded to serve o	/SDOT property, thus will not be able to add our load or operate our		\$ 100 000 000 000 000 000 000 000 000 00	\$		moderate to extreme	9
move facilities to private property	This would involve a moving all of the ex		ts on, or buying,	private property and	interrupt services to move facilities	Section 1.	\$		moderate to extreme	1
Section 1 Control of the Control of						\$	\$	2	\$	0
						\$	\$	•	\$	0
					Accordated Fre /	list all applicable):				
Program Cash Flows 5 years of costs					7108					
5 years of costs	Capital Cost	O&M Cost	Other Costs	Approved	ris e ofe See of See		TO SHARE			
nia Standardardi <b>li Statio</b>	•					SALENIA SERV				
2012		\$	\$ -	\$ 250,000		853265				
2013		\$	\$ -	\$ 125,000						
2014		\$ -	\$ -	\$ 165,000						
2015		\$ - \$ -	\$ - \$ -	\$ 427,375 \$ 494,100						
2016 2017		\$ - \$ -	\$ - \$ -	\$ 494,100 \$ 9,100						
2017		\$	\$ -	\$ 2,500						
2019		\$ -	\$ -	\$ 5,600						
Total			Š -	\$ 1,478,675						
Mandate Excerpt (If application of the control of t		and a reference r	number if possil	ble						
Additional Justifications:										
WSDOT will not allow new	facilities to be built o	n franchises that h	ave expired.							
Resources Requirements: (	request forms and a	oprovals attached)	1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1							
Internal Labor Availability: Contract Labor:	☐ Low Probability ☐ YES	☐ Medium Probability ☐ NO	High Probability	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	☑ NO or Not R ☑ NO or Not R ☑ NO or Not R	equired equired equired	labor boxes resource ow a general se	ppropriate box. The i should be checked to rners have been conta nse of how likely staf ot require a firm com	indicate if the acted and to provide f will be provided

ATTACHMENT 3
Exhibit No.\_\_(KKS-5)
Attachment No.\_\_ETD-24.2



Key Performance Indicator(s)

Expected Pe	erformance Improvements				
KPI Measi	ure: obtain franchises Fill in the name of the KPI her				
	Fill in the hame of the Kri her	Prepai	red signature		
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	Year				
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0 +		provide a place to direct Other Party Re Providing a graph is (if necess	eview signature	Director/Manager	
-500	recommended	to help communicate	saiy)	#Director/Manager	
-300 —	what the project	ct is intended to			
To be co Rationa	ompleted by Capital Planning Group			Review Cycles 2012-2016	
			Date	Template	

**Functional Group:** Electric Transmission / Distribution

**Business Case Name:** Harrington Voltage Conversion from 4 kV to 13 kV

ER No: ER Name:

2289 Harrington Conversion to 13 kV

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$3,0401

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	2,025	83	83	83	83	83	83	83	83	958	83	83	233
2016	1,000	83	83	83	83	83	83	83	83	83	83	83	83

### **Business Case Description:**

The Harrington, WA area is the last area Avista serves at the legacy 4 kV voltage. This voltage is obsolete for serving utility distribution systems and we have very limited spare equipment to continue service at this voltage. The substation is very old and the transformer will be difficult and time consuming to replace if it fails. We do not have 4 kV on our mobile substations, so all the customers served by Harrington feeders will be out of service until the transformer is replaced. This could easily be up to 48 hours. There is no reason to delay this needed upgrade to our standard distribution class voltage and equipment. Minor system efficiencies also result.

### Offsets:

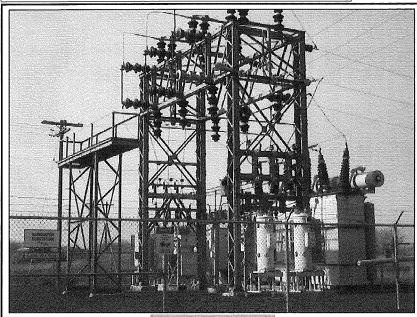
<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Harrington Upgr	ndon	and the second second second	1					
Requested Amount	\$3,000,000	auco		Assessments:					
Duration/Timeframe	STATE OF THE PARTY	Year Project	. April 1919 of the Paper of British	Financial:	7.00%				
Dept, Area:	T&D - Substation		VŠU NO VOJEK VEISE	Strategic:	Reliability & Ca	pacity		NEW COLUMN	t Overland State Control
Owner:	Heather Rosentra			Business Risk:		Reduction >5 and	<= 10		
Sponsor:	Don Kopczynski	3 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -		Project Risk:	High certainty a	around cost, sche	dule and resources		
Category:	Project								-
Mandate/Reg. Reference:	n/a			Assessment Score:	#NAME?	Annual Co	st Summary - Increas	e/(Decrease)	
Recommend Project Descri	iption:				Performance	Capital Cost	O&M Cost	Other Costs	<b>Business Risk Score</b>
Harrington Voltage Convers	ion. Harrington is t	he last area Avista s	erves at the lega	cy 4 kV voltage. This	Removes long	\$ 3,000,000	) \$ -	\$ -	1
voltage is obsolete for servi	ng utility distributio	n systems and we h	ave very limited	spare equipment to	term outage risk				
continue service at this volt	age. The substation	is very old and the	transformer will	be difficult and time	for sub failures;				
consuming to replace if it fa	ills. We do not have	4 kV on our mobile	substations, so	all the customers	reduces losses;				
served by Harrington feede	rs will be out of serv	ice until the transfo	rmer is replaced	This could easily be	standardizes				
up to 48 hours. There is no	reason to delay this	needed upgrade to	our standard dis	tribution class voltage	system				
and equipment. Minor syst	em efficiencies also	result.							
							st Summary - Increas		
Alternatives:					Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	A COUNTY OF THE PARTY OF THE PA			mpany and exposes	n/a	\$ 300,000	\$ 100,000	\$ 1,000,000	6
	Appropriate for Transport for Physical Action	CALIFORNIA STATE OF THE PROPERTY OF THE PROPERTY OF THE PARTY OF THE P		substation has reached					
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	more expensive as								
Unfunded Project: Cont'd	The existing station				describe any	\$ -	\$ -	\$ -	1
	that are over-dutie	a da cara di seriah Tahun Ni Tahun	SPECIAL CONTRACTOR OF THE SPECIAL CONTRACTOR		incremental				
	This is one of five r	emaining stations v	ith this type of f	using.	changes in			Barra N	
					operations		1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		
Alternative 2: Brief name	Describe other opt	ions that were cons	idered		describe any	\$ -	<b>\$</b>	\$ -	0
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applicable)					changes in				
					operations				
Alternative 3 Name : Brief	Describe other opt	ions that were cons	idered		describe any	\$ -	\$ -	\$ -	0
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5112.5501.67800.77	commonwalarrocklop & AAAAA NAAAAA		**************************************		N. 170.0027 1777 POWER PROPERTY AND A				
Program Cash Flows							All April		
	Capital Cost	O&M Cost	Other Costs	Approved		Associated Ers (lis		E 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1	
Previous		\$ -	\$ -	\$ -		228	9	Passas and the	
2013		\$	\$ -	\$ -				GWRDS IN SERVICE	activities (chief the chief
2014		\$ -	\$ -	\$ 40,000		VENERAL CONTRA			AND SOUTH AND THE
2015		\$ -	\$	\$ 2,000,000				ESSANA Recount	AND SERVICE AND SERVICES
2016		\$ -	\$ -	\$ 1,000,000					
2017+		\$ -	\$ -	\$ -					
Total	\$ 3,000,000	\$ -	\$ -	\$ 3,040,000					
			2045						
ER	2013	2014	2015	2016	2017+	Total	Mandate Excerpt	ir applicable): Itation of the law or	requisition and a
2289	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 3,000,000	[22] And J. Agreen and a grant of the Computation of Computatio		the factor with the second of the control of the second
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Total	\$	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 3,000,000		ed to a standard utili	ty voltage trass.
		-1955/500			I T		<u> </u>	<u>. 19. oz. oz oz oz opiski jedniki i</u>	<u></u>
Milestones (high level t	(argets)								3
January-14	Begin Design		July-14	Remove & Salvage	Old Substation	January-00	open		125 -
March-14	Start Distribution	Line Work	August-14	Start Substation Co		January-00	open		
May-14	Transmit Substat		October-14	Complete Substation		January-00	open		
June-14	Install Mobile Sub		October-14	Transfer Load from		January-00	open		
June-14	Start Distribution			Return Mobile to Sp		January-00	open		
July-14	Complete Cutove		January-00	open		January-00	open		
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Resources Requirements: (	request forms and a	pprovals attached)							
	Low Probability	Medium Probability	High Probablity		YES - attach form	NO or Not Required			IO or Not Required
Contract Labor:	YES	<b>₹</b> №		Facilities:	YES - attach form	NO or Not Required	Fleet:	YES - attach form 🕡	IO or Not Required

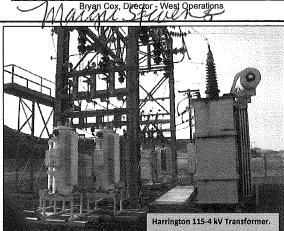
### AVISTA

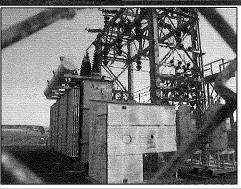
Key Performan	nce Indicator(s)		
Expected Perform	ance Improvements		
KPI Measure:	Fill in the name of the KPI here		
	Fill in the name of the KPI here		
1.2	#REFI	Prepared	Mike Magruder/Dave James, T&D Substations/Distribution
1	#REF!		,
0.8	Project FO Rate	Reviewed	
0.6		Neviewed	Heather Rosentrater, Director - ENSO
0.4		Reviewed	
0,2			Andy Vickers, Director - GPSS
0		Reviewed	
	1		Bryan Cox, Director - West Operations



Harrington 115-4 kV Substation.

Harrington Metering/Control Enclosure next to three 1-phase 115-4 kV Transformers and 4 kV Voltage Regulators for Feeder 4F1.





o be completed by Capital Planning Group Rationale for decision		Review Cycles
		2012-2016
Companies (de l'action) :  - Companies (de l'	Date	Template
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A CONTROL OF THE CONT		

Functional Group: Electric Transmission / Distribution

Business Case Name: Transmission - Asset Management

ER No: ER Name:

2057 Transmission Minor Rebuild2254 System 115kV Air Switch Upgrade

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$7,2721

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	1,279	-	-	-	-	-	-	-	-	-	72	7	1,200
2015	1,709	67	67	96	96	197	197	197	216	216	216	82	63
2016	1,772	9	9	62	62	248	248	248	284	284	284	35	-

### **Business Case Description:**

The Transmission Asset Management Business Cases represent the mitigation Minor Rebuild (ER 2057) work associated with Avista Aerial Patrol and Wood Pole Management programs developed to comply with NERC Standard FAC-501-WECC-1, and Air Switch Replacements (ER 2254) made on a condition and age evaluation.

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Trans Asset Ma	<b>n</b> ka tabuk ta	ariguet folgo so										
Requested Amount	\$1,400,000	Vo D		Assessments:	10.00%								
Duration/Timeframe Dept, Area:	Indefinite T&D - TLD Engli	Year Program	And as as asserting	Financial: Strategic:	and the second second second	et management							
Owner:	Heather Rosenti			Business Risk:		Reduction >0 and	< <b>=</b> 5						
Sponsor:	Don Kopczynski			Program Risk:	High certainty	around cost, schee	dule and resources						
Category:	Program				Secondary Paris Company								
Mandate/Reg. Reference:	Charles and the Control of the Contr	FAC-501-WECC	-1	Assessment Score:	#NAME?	THE RESERVE OF THE PARTY OF THE	t Summary - Increas	r					
Recommend Program Des	minus continuente montro materiale de la contro del la contro del la contro del la contro de la contro del la contro de la contro del la contro de la contro del la contro del la contro de la contro del la contro de la contro de la contro del la contro de la contro de la contro de la contro del la contro de la contro del la contro del la contro del la contro de la contro del la cont	C		10-1	Performance	\$ 1,400,000	O&M Cost \$ 331,000	Other Costs 5 -	Business Risk Score				
The Transmission Asset Ma Inspection in ER 2057, and	or on Transport Selection (Selection Control		low-up work to tr	ne vvoog Pole	Customer IRR of 8.9%	\$ 1,400,000	3 331,000	7	14				
mspection in Ex 2007, and	All Switch Replace	ilents ii en 2254.			0,0.5%								
3.53.53.5						la santa di di							
						Appual Cos	 t Summary - Increas	e/(Derresse)					
Alternatives:					Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score				
Unfunded Program:	Without replacing	old and worn-out p	oles and cross-ar	ms, our system will be	Higher risk of a	\$ 3,464,530	\$ -	\$ 1,576,000	15				
CONTRACTOR OF THE PROPERTY OF		or more failures and			transmission								
	The state of the s			Jor fire will increase	line causing a								
	and increase the c	lifference in costs be	etween the two a	Iternatives.	major fire due								
					to pole or crossarm								
					fallures								
Alternative 1: Brief name	Renlace wend = -1	as and cross '	lentified hy lace-	ction and when a	Customer IRR	\$ 4,205,000	\$ 331,000	\$ -	12				
of alternative (if	- 27/45/36 (4.7): 37/47/37 (4.7): 37/4/3	es and cross-arms ic of the transmission		the end of life for the	of 8.9% and	4,203,000	÷ 551,000		14				
applicable)	A STATE OF THE PARTY OF THE PARTY OF THE PARTY.	les, replace the tran			avolds about								
	A STATE OF THE PARTY OF THE PAR	property from the closes are transported by the		itches located outside	580 events per								
	of the substations	that have reached t	heir end of life. F	or major rebuilds, nev	v year								
	The state of the s	increase the capaci	ty of the system a	ind help reduce									
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applicable)					changes in								
					operations								
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name of alternative (if					incremental								
applicable)					changes in								
Description Control					operations								
Program Cash Flows	Capital Cost	O&M Cost	Other Costs	Approved	T	Associated Ers (list	all applicable):						
Previous		\$ -	\$ -	\$ -		2057							
2014	\$ 1,315,000	\$ 331,823	\$ -	\$ 3,790,000									
2015				\$ 1,709,455			Banaca da Siliada É						
2016 2017				\$ 1,772,262 \$ 1,780,249									
2017	·		_ T	\$ 1,843,420									
2019				\$ 1,908,117									
Total	\$ 8,545,000	\$ 2,115,326	\$ -	\$ 12,803,503									
ER 2057	2014 \$ 1,431,823	\$ 1,489,455	2016 \$ 1,547,262	2017 \$ 1,555,249	2018 \$ 1,613,420	* 7,637,209	Mandate Excerpt (	if applicable): If this Program is n	nandatad undar				
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Total	\$ 1,646,823	\$ 1,709,455	\$ 1,772,262	\$ 1,780,249	\$ 1,843,420	\$ 8,752,209							
Resources Regulrements: (	reassest forms and	anarovals attached)											
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Internal Labor Availability:	Low Probability	☑ Medium Probability	High Probability	Enterprise Tech:	YES - attach form	☑ NO or Not Req		propriate box. The in should be checked to					
Contract Labor:	▼ YES	□ NO		Facilities:	YES - attach form	☑ NO or Not Req	ulred resource ow	ners have been conta					
				Capital Tools:	YES - attach form		uired a general se	nse of how likely staff	will be provided				
				Fleet:	YES - attach form	NO or Not Req	ulred (this does no	ot require a firm comm	nittment).				
Key Performance Indicator	(s)			Ī									
Expected Performance Improven													
KPI Measure:	Fill in the name of			1									
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Functional Group: Electric Transmission / Distribution

**Business Case Name:** Transmission - NERC Low Priority Mitigation

ER No: ER Name:

2579 Low Priority Ratings Mitigation

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$3,6901

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	250	-	-	-	-	-	-	-	-	-	-	-	250
2015	500	-	-	-	-	-	-	-	-	-	-	-	500
2016	2,000	-	-	-	-	-	-	-	-	-	-	-	2,000

### **Business Case Description:**

This program reconfigures insulator attachments, and/or rebuilds existing transmission line structures, or removes earth beneath transmission lines in order to mitigate ratings/sag discrepancies found between "design" and "field" conditions as determined by LiDAR survey data. This program was undertaken in response to the October 7, 2012 North American Electric Reliability Corporations (NERC) "NERC Alert" - Recommendation to Industry, "Consideration of Actual Field Conditions in Determination of Facility Ratings". This Capital Program (ER25xx) covers mitigation work on Avista's "Low Priority" 230kV and 115kV transmission lines. Mitigation brings lines in compliance with the National Electric Safety Code (NESC) minimum clearances values. These code minimums have been adopted into the State of Washington's Administrative Code (WAC).

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

### AVISTA

Investment Name:	NERC Low Prior	ity Mit							
Requested Amount	\$1,500,000			Assessments:				a Stari	
Duration/Timeframe		Year Program		Financial:	9.00%				
Dept, Area:	TLD Engineering Heather Rosentra	tor.		Strategic: Business Risk:	Reliability & Ca	apacity Reduction >10 and	1 <= 15		
Owner: Sponsor:	Don Kopczynski	161		Program Risk:		around cost, sched		S	
Category:	Program			, , • 6				***************************************	
Mandate/Reg. Reference:	October 7, 2010	'NERC Alert" w/r	Facility Ratings	Assessment Score:	#NAME?	Annual Cost	: Summary - Increa	se/(Decrease)	
Recommend Program Desc	cription:			13 14 163	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program reconconfigur or removes earth beneath t "design" and "field" conditi- response to the October 7, Recommendation to Indust Ratings". This Capital Progr 115kV transmission lines. N (NESC) minimum clearance: Washington's Administrativ	ransmission lines in ons as determined b 2012 North America ry, "Consideration o am (ER25xx) covers Mitgation brings line s values. These code	order to mitigate roy LIDAR survey dat on Electric Reliability f Actual Field Condi mitigation work on s in compliance wit	atings/sag discrep a. This program w y Corporations (N itions in Determir i Avista's "Low Pri th the National Ele	vancies found between vas undertaken in ERC) "NERC Alert" - vation of Facility ority" 230kV and ectric Safety Code	Regulatory compliance, upgraded facilities, greater clearance, and (in some cases) greater load capabilities.	\$ 1,500,000			
			100.00		1 - 1		Summary - Increa		
Alternatives:	The		Consulation and	.aa -JJist sirno	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score 16
Unfunded Program:	recommendations, and/or incident cor	and increase the p nnected with line cl	otential for large earance. Addition	sta at odds with NERC fines for any outage nally, failure to andards and the WAC.	Relatively high probability of fines and legal action against Avista.		\$		
Alternative 1: Brief name of alternative (if applicable)	Describe other opti	ions that were cons	idered		describe any incremental changes in operations	\$	\$	\$	
Alternative 2: Brief name	Describe other opt	ons that were cons	idered		describe any	\$ -	\$ -	\$	0
of alternative (If applicable)			iucieu		Incremental changes in operations				
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other opti	ions that were cons	ldered		describe any incremental changes in operations	\$	\$ -	\$	0
Program Cash Flows					100 mg				
	Capital Cost	O&M Cost	Other Costs	Approved		Associated Ers (list			
Previous		\$	\$ -	\$ -		2579			
2013		\$ -	\$	\$ -				5 5 7 4 4 4 4 5 6 4 4 5 7 P	
2014			\$ -	\$ 1,190,000		RIVER TENEDANT			
2015 2016			\$ - \$ -	\$ 500,000 \$ 2,000,000					22502522223
2010			\$ -	\$ 3,000,000					
Total			Š .	\$ 6,690,000					
		(A. B	. *		1				
ER .	2013	2014	2015	2016	2017	Total	Mandate Excerpt	(if applicable):	100 1535 - 6045
2579	\$ -	\$ 250,000	\$ 500,000	\$ 2,500,000	\$ 2,500,000	\$ 5,750,000	Regulatory: Spe	cific transmission li	nes require
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Total	\$ -	\$ 250,000	\$ 500,000	\$ 2,500,000	\$ 2,500,000	\$ 5,750,000			
Resources Requirements: (request forms and approvals attached)  Internal Labor Availability: Low Probability			Enterprise Tech: Facilities: Capital Tools:	YES - attach form				indicate if the cted and to provide	
Key Performance Indicator Expected Performance Improvem KPI Measure:				Fleet:	YES - attach form	☑ NO or Not Requ		iot require a firm comr	



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0 teconimended to help confinding to the project is intended to	
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This space is to be used for photographs, charts, or other data the	nat may be useful in evaluating the Program
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Rationale for decision	Review Cycles
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**Functional Group:** Electric Transmission / Distribution

**Business Case Name:** Transmission - NERC Medium Priority Mitigation

ER No: ER Name:

2581 Medium Priority Ratings Mitigation

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$7,276 1

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	1,717	-	-	-	-	-	-	-	-	-	22	2	1,693
2015	3,294	-	-	-	-	-	-	-	-	-	-	-	3,294
2016	2,251	-	-	-	-	-	-	-	-	-	-	-	2,251

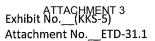
### **Business Case Description:**

This program reconfigures insulator attachments, and/or rebuilds existing transmission line structures, or removes earth beneath transmission lines in order to mitigate ratings/sag discrepancies found between "design" and "field" conditions as determined by LiDAR survey data. This program was undertaken in response to the October 7, 2012 North American Electric Reliability Corporations (NERC) "NERC Alert" - Recommendation to Industry, "Consideration of Actual Field Conditions in Determination of Facility Ratings". This Capital Program (ER2581) covers mitigation work on Avista's "Medium Priority" 230kV and 115kV transmission lines, including North Lewiston-Shawnee 230kV, Beacon-Bell #4 230kV, Beacon-Bell #5 230kV, Noxon-Hot Springs #2 230kV, Beacon-Boulder #2 115kV, Beacon-Francis & Cedar 115kV, 9th & Central-Otis 115kV, Northwest-Westside 115kV, Dry Creek-Talbot 230kV, Walla Walla-Wanapum 230kV, Benewah-Moscow 230kV, Devils Gap-Stratford 115kV. Mitigation brings lines in compliance with the National Electric Safety Code (NESC) minimum clearances values. These code minimums have been adopted into the State of Washington's Administrative Code (WAC).

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.





Investment Name:	NERC Med Prior \$2,500,000	ity Mit		1								
Requested Amount Duration/Timeframe	and the second s	Year Program	<u> 1630 80 80 80 80 80 80 80 80 80 80 80 80 80</u>	Assessments: Financial:	9.00%							
Dept, Area:	TLD Engineering			Strategic:	Reliability & Ca							
Owner:	Heather Rosentra	ıter		Business Risk:		Reduction >10 and						
Sponsor: Category:	Don Kopczynski Program			Program Risk:	High certainty	around cost, sched	ule and	resource	<b>S</b>			
Mandate/Reg. Reference:		"NERC Alert" w/r	Facility Ratings	Assessment Score:	#NAME?	Annual Cos	t Summa	ry - Increa	se/(Decrease)			
Recommend Program Desc	CONTRACTOR OF THE CONTRACTOR O		1000		Performance	Capital Cost	C minimum backer	M Cost	Other Costs	Business Risk Score		
This program reconconfigur						\$ 2,500,000	\$	-	\$ -	1		
or removes earth beneath t "design" and "field" conditi- response to the October 7, Recommendation to Indust Ratings". This Capital Progr 115kV transmission lines, ir #5 230kV, Noxon-Hot Sprint Central-Otis 115kV, Northw Benewah-Moscow 230kV, D National Electric Safety Cod	ions as determined b 2012 North America try, "Consideration of ram (ER25xx) covers ncluding North Lewi- igs #2 230ky, Beacon vest-Westside 115kV Devils Gap-Stratford de (NESC) minimum of	oy LIDAR survey dat an Electric Reliability of Actual Field Condii mitigation work on iston-Shawnee 230k n-Boulder #2 115kV, f, Dry Creek-Talbot : 115kV. Mitgation k clearances values	ta. This program way Corporations (N litions in Determir n Avista's "Mediur kV, Beacon-Bell #+ /, Beacon-Francis & 230kV, Walla Wal brings lines in con These code minin	was undertaken in NERC) "NERC Alert" – nation of Facility m Priority" 230kV and 14 230kV, Beacon-Bell & Cedar 115kV, 9th & illa-Wanapum 230kV, mpliance with the	upgraded facilities, greater clearance, and (in some cases) greater load capabilities.							
adopted into the State of W	lashington's Adminis	strative code (wac				Proming and Property of the Party of the Par			se/(Decrease)			
Alternatives:					Performance	Capital Cost		ry - Increa M Cost	Se/(Decrease) Other Costs	Business Risk Score		
Unfunded Program:	The unfunded ("do	nothing") approac	h would place Avi	ista at odds with NERC	Relatively high	**************************************	\$		\$ -	16		
	recommendations, and/or incident con mitigate would place	, and increase the po nnected with line cl ce Avista in violatio	ootential for large learance. Addition on of NESC code st	fines for any outage	Avista.							
Alternative 1: Brief name	Describe other opti	ons that were cons	idered		describe any	\$	\$	-	\$ -	1		
of alternative (if applicable)					incremental changes in operations							
Alternative 2: Brief name of alternative (If applicable)	Describe other opti	ons that were cons	idered		describe any incremental changes in operations	\$ 1000	\$	•	\$	0		
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other opti	ons that were cons	Idered		describe any incremental changes in operations	\$	\$	30 00 <del>-</del>	\$	0		
Program Cash Flows	1		And the second		Operations							
	Capital Cost	O&M Cost	Other Costs	Approved		Associated Ers (list	all applic	cable):				
Previous		\$ -	\$ -	\$ -		2581	100000000000000000000000000000000000000					
2013 2014		\$ - \$ -	\$ - \$ -	\$ - \$ 1,731,000								
2014		\$	\$ -	\$ 1,731,000			Children and					
2016		\$ -	\$ -	\$ 2,251,000	<del></del>	Control of the contro	der School of			A A CONTROL OF THE PROPERTY AND ADMINISTRAL CO.		
2017		\$ -	\$ -	\$ -								
Total	\$ 4,987,000	\$ -	\$ -	\$ 7,276,000								
ER	2013	2014	2015	2016	2017	Total	1		//ttankinji	Area and a special and a second		
2581	\$ -	\$ 1,693,000			\$ -		44420000000000000	and the second second	(If applicable): ecific transmission	lines require		
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O Total	\$ -	\$ 1,693,000	\$ -	\$ - \$	\$ -	\$ - \$ 4,987,000						
Total	\$	\$ 1,033,000	5 3,234,000	1	1>	\$ 4,987,000	<u>Dalistan</u>	<u>With the second</u>		2014/444 options.		
Resources Requirements: (	request forms and a	pprovals attached)						Charletha:	appropriate box. The i	Berger		
internal Labor Availability: Contract Labor:		☑ Medium Probability ☐ NO	High Probablity	Enterprise Tech: Facilities: Capital Tools: Fleet:	YES - attach form YES - attach form YES - attach form YES - attach form	tach form ☑ NO or Not Required labor boxes should be checked to Indicate if the resource owners have been contacted and to protact form ☑ NO or Not Required a general sense of how likely staff will be provided.				o Indicate if the acted and to provide f will be provided		
Key Performance Indicator	Control Children and Children Children Children Children											
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Kationa	lle for decision		Review Cycles 2012-2016
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**Functional Group:** Electric Transmission / Distribution

**Business Case Name:** SCADA - System Operations & Backup Control Center

**ER No: ER Name:** 2277 SCADA Upgrade

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$3,051 1

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	1,229	-	-	-	-	-	-	-	-	-	137	1	1,090
2015	1,020	85	85	85	85	85	85	85	85	85	85	85	85
2016	1,002	83	83	84	83	83	84	83	83	84	83	83	84

### **Business Case Description:**

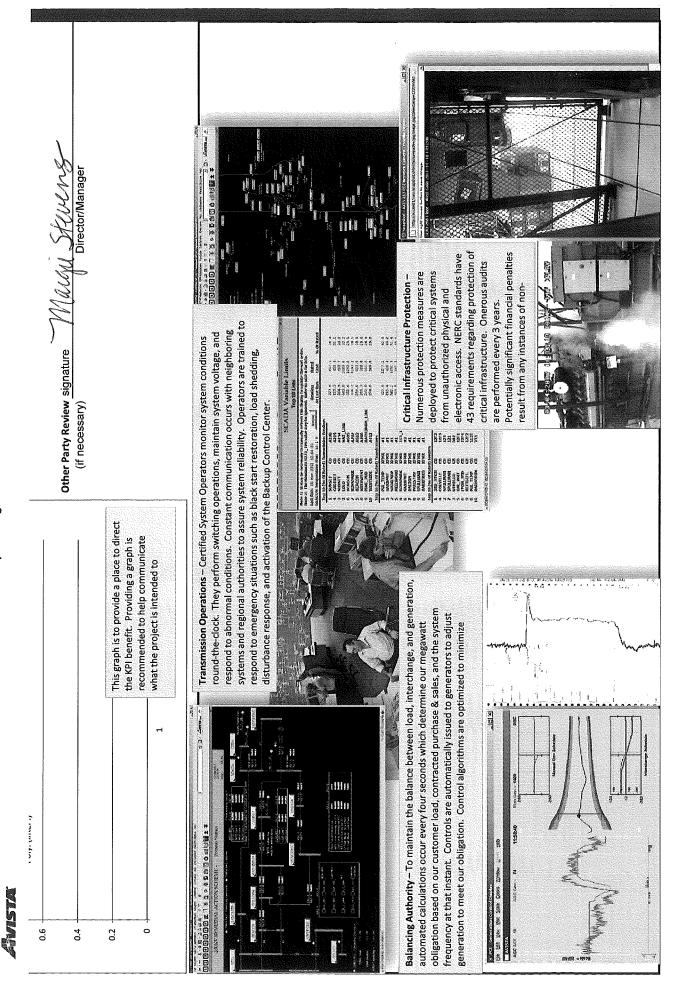
This program replaces and/or upgrades existing electric and gas control center telecommunications and computing systems as they reach the end of their useful lives, require increased capacity, or cannot accommodate necessary equipment upgrades due to existing constraints. Included are hardware, software, and operating system upgrades, as well as deployment of capabilities to meet new operational standards and requirements. Some system upgrades may be initiated by other requirements, including NERC reliability standards, growth, and external projects (e.g. Smart Grid). Examples of upgrades to be completed under this program are Critical Infrastructure Protection version 5 (NERC requirement), Gas Control Room Management (PHMSA requirement), WECC RC Advanced Applications, and Technology Refresh (network and storage).

### Offsets:

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Investment Name:	SCADA - SOO and BUCC							
Requested Amount	Average capital amt 2013-18 is \$986,500	18 is \$986,500	Assessments:					
Duration/Timeframe	20 Year Program	Iram	_ Financial:	7.00%				
Dept Area:	T&D - SCADA - System Operations	erations	Strategic	Reliability & capacity	acity			
Owner:	Craid Figart/Brad Calbick/Heather Rosentrater	eather Rosentrater	Business Risk:	Business Risk	Business Risk Reduction >5 and <= 10	<= 10		
Sponsor:	Don Kopczynski		Program Risk:	High certainty a	round cost, schec	High certainty around cost, schedule and resources		
Category:	Program							
Mandate/Reg. Reference:	WECC/NERC/FERC		Assessment Score:	#NAME?	Annual Cost	Annual Cost Summary - Increase/(Decrease)	e/(Decrease)	
Recommend Program Description:	cription:			Performance	Capital Cost	O&M Cost	Other Costs	<b>Business Risk Score</b>
This program replaces and	This program replaces and/or upgrades existing electric and gas control center	d gas control center tel	telecommunications and	Improved	\$ 1.036.000	Ş	ş	2
computing systems as they	computing systems as they reach the end of their useful lives, require increased capacity, or cannot	es, require increased c	apacity, or cannot	performance.				
accommodate necessary e	accommodate necessary equipment upgrades due to existing constraints. Included are hardware,	ing constraints. Include	d are hardware,	upgraded				
software, and operating sy	software, and operating system upgrades, as well as deployment of capabilities to meet new operational	yment of capabilities to	meet new operational	equipment,				
standards and requiremen	standards and requirements. Some system upgrades may be initiated by other requirements, including	be initiated by other re	quirements, including	better status &				
NERC reliability standards,	NERC reliability standards, growth, and external projects (e.g. Smart Grid). Examples of upgrades to be	.g. Smart Grid). Examo	les of upgrades to be	control. new				
completed under this prog	completed under this program are Critical Infrastructure Protection version 5		NERC requirement), Gas	life cycle.				### (### ### ### ### ### ### ### ### ##
Control Room Managemer	Control Room Management (PHMSA requirement), WECC RC Advanced Applications, and Technology	RC Advanced Applicatio	ns, and Technology					
Refresh (network and storage).	age)							
					Annual Cost	Annual Cost Summary - Increase/(Decrease)	se/(Decrease)	
Alternatives:				Performance	Capital Cost	O&M Cost	Other Costs	<b>Business Risk Score</b>
Unfunded Program:	Non-compliant operational canabilities and practices would result in pegative. Severe pegative	abilities and practices	would result in negative	Savera negative	-	100 000	v	17
	andit findings financial penalties and litigation expenses. Obsolete	es and litigation expen	ses Obsolete	System System			<b>)</b>	71
	additionally, interior perferences, and ingarior expenses. Obsolete	es, and inganon expensions of the	ses, Obsolete Figural capacity for	rolishility and				
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				operations				
Alternative 2: Brief name	Describe other options that were considered	ere considered		describe any	\$	\$	\$	0
of alternative (if				incremental				
applicable)				changes in				
				operations				
Alternative 3 Name: Brief	Alternative 3 Name:Brief   Describe other options that were considered	ere considered		describe any	- \$	\$	\$	0
name of alternative (if				incremental				
applicable)				changes in		Marie		
				operations				
Program Cash Flows								
	Capital Cost 0&M Cost	Cost Other Costs	Approved		Associated Ers (list all applicable):	all applicable):		
Previous	\$ - \$	- \$ -	- \$		2277		2000	
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n the name of the KPI here n the name of the KPI here n the name of the KPI here Repared signature Rate	Key Performance Indicator(s)					900000000000000000000000000000000000000					
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reen To be completed by Capital Planning Group	Rationale for decision							
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Functional Group: Electric Transmission / Distribution

Business Case Name: Noxon Switchyard Rebuild

ER No: ER Name:

2532 Noxon 230 kV Substation - Rebuild

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$14,7251

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	8,325	-	-	-	-	-	-	-	-	7,800	-	-	525
2016	500	-	-	-	-	-	-	-	-	-	-	-	500

### **Business Case Description:**

The existing Noxon Rapids 230 kV Switchyard requires reconstruction due to the present age and condition of the equipment in the station. The existing bus is constructed as strain bus (which has suffered a number of recent failures) and is configured as a single bus with a tiebreaker separating the East and West buses. The station is the interconnection point of the Noxon Rapids Hydroelectric development as well as a principal interconnection point between Avista and BPA, and as such is a significant asset in the reliable operation of the Western Montana Hydro Complex. Equipment outages within the Station (planned or unplanned) can cause significant curtailments of the local generation output. Due to the significance of the station, a complete rebuild will require coordination with Avista's Energy Resources Department and neighboring utilities, primarily BPA. The Noxon Switchyard Rebuild Project is proposed to be a Greenfield Double Bus Double Breaker 230 kV switching station to replace the existing Noxon Switchyard.

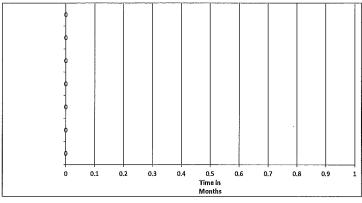
### Offsets:

<sup>&</sup>lt;sup>1</sup>The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Noxon Switchyard Rebuild	<b>3</b>								
Requested Amount	\$24,950,000	Assessments:								
Duration/Timeframe	8 Year Project	Financial:	Medium - >= 5	% & <9	% CIRR					
Dept, Area:	T&D - Substation & Transmission Engineering	Strategic:	Reliability & Ca	pacity						
Owner:	Heather Rosentrater	Operational:	Operations req	uire ex	ecution to p	erform at cur	rent le	vels		
Sponsor:	Don Kopczynski	Business Risk:	ERM Reduction	n >0 ar	nd <= 5					
Category:	Project	Project/Program Risk:	High certainty a	around	cost, sched	ule and resou	urces			
Mandate/Reg. Reference	e: n/a	Assessment Score:	79		Cost Sun	nmary - Increa	ise/(Do	ecrease)		
Recommend Project Des	scription:		Performance	Car	oital Cost	O&M Cos	#t	Other	r Costs	Business Risk Score
East and West buses. Th well as a principal intercoreliable operation of the	ent failures) and is configured as a single bus with a tie broes station is the interconnection point of the Noxon Rapids onnection point between Avista and BPA, and as such is a western Montana Hydro Complex. Equipment outages we can cause significant curtailments of the local generation of the contains and the contains of the local generation of the local genera	Hydro Electric Dam as significant asset in the vithin the Station	replacing end of life equipment. Improve equipment							
significance of the station Department and neighbor be a greenfield Double B	tan cause significant curtainments of the local generation on, a complete rebuild will require coordination with Avista bring utilities, primarily BPA. The Noxon Switchyard Rebui us Double Breaker 230 kV switching station to replace the	's Energy Resources ld Project is proposed to	capacity ratings where possible.							
significance of the station Department and neighbo	n, a complete rebuild will require coordination with Avista oring utilities, primarily BPA. The Noxon Switchyard Rebui	's Energy Resources ld Project is proposed to	AND SAFETY SERVICES IN THE		Cost Sun	nmary - Increa	ise/(Di	ecrease)		
significance of the station Department and neighbor be a greenfield Double B	n, a complete rebuild will require coordination with Avista oring utilities, primarily BPA. The Noxon Switchyard Rebui	's Energy Resources ld Project is proposed to	AND SAFETY SERVICES IN THE	Caj	Cost Sun oltal Cost	nmary - Increa	and the second		r Costs	Business Risk Score
significance of the station Department and neighbor be a greenfield Double Bi Switchyard.	n, a complete rebuild will require coordination with Avista oring utilities, primarily BPA. The Noxon Switchyard Rebui	's Energy Resources Id Project is proposed to existing Noxon it reliability concerns, allment of generation	where possible.	Ça <sub>l</sub> \$		Control of the contro	st 💮		r Costs	Business Risk Score 6
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significance of the station Department and neighbor be a greenfield Double Br Switchyard.  Alternatives: Status Quo:	n, a complete rebuild will require coordination with Avista  pring utilities, primarily BPA. The Noxon Switchyard Rebui  us Double Breaker 230 kV switching station to replace the  The existing Noxon Switchyard will continue to presen  Outages caused by equipment failure could cause curt  and reduced interconnection capacity with neighborin  Replace end of life equipment and strain bus in existin  leaves the station as a single bus, which does not improutage possibilities as well as other bus configurations.	's Energy Resources Id Project is proposed to existing Noxon  t reliability concerns. allment of generation g utilities. g station. This still ove single contingency	where possible.  Performance	\$	oltal Cost	O&M Cos \$	•	Other \$	r Costs	6

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### Construction Cash Flows (CWIP)

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2012	\$ -	\$ -	\$ -	\$ 150,000
2013	\$ 400,000	\$ -	\$ -	\$ 400,018
2014	\$ 2,525,000	\$ -	\$ -	\$ 4,425,000
2015	\$ 5,475,000	\$ -	\$ -	\$ 7,300,000
2016	\$ 3,000,000	\$	\$ -	\$ 3,000,000
2017	\$ 4,200,000	\$ -	\$ -	\$ 5,200,000
2018	\$ 4,200,000	\$	\$	\$ 5,200,000
2019	\$ -	\$ -	\$ -	\$ 4,200,000
Future	\$ 5,000,000	\$ -	\$ -	\$ -
Total	\$ 24,800,000	\$	\$ -	\$ 29,875,018

### Milestones (high level targets)

Jan-Dec 2012	Plan/Scope Project; Initiate Permitting	April-16 - Oct-16	Construction of new station; Line Construction
Jan-Dec 2013	Finalize Scope Options; Process Permitting	April-17 - Oct-17	Construction of new station; Line Construction/Termination
April-14	Receive Permit	April-18 - Oct-18	Construction of new station; Line Construction/Termination/BPA Construction
April-14 - Dec-15	Construct Reactor Station & 230 kV Connection	April-19 - Oct-19	Construction of new station; Line Construction/Termination/BPA Construction
April-14 - Dec-15	Upgrade Strain bus and bus switches in old sub	April-20 - Oct-20	Construction of new station; Line Construction/Termination/BPA Construction
Jan-15 - Dec-15	Design rest of new station; replace old breakers	April-20 - Oct-20	Remove & Salvage old station
April-15 - Oct-15	Construction of new station		

Associated Ers (list all applicable):	2532	35
4.700.0		
Mandate Excerpt (if applicable):	[2] 전 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1	

Additional Justifications:

The existing station has not had equipment upgrades since 2007 due to projected plans for a station rebuild. With the decision to pursue a full station upgrade in a new location, the time it will take to construct this new station will require the old station to remain in operation until at least 2020 by current estimates, it has been decided to replace some of the existing equipment to afford safe and reliable operation of the existing station while the new station is constructed.

AVISTA							Attaciment NoLTD-54.2
Resources Requirements:	(request forms and	l approvals attached)		200			
Internal Labor Availability: Contract Labor: Key Performance Indicato Expected Performance Improve KPI Measure:	✓ YES  r(s) ments Complete Reacto	✓ Medium Probability			YES - attach form YES - attach form YES - attach form YES - attach form	✓ NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm committment).
	Complete remain	ider of station as time	/budget allows.	Prepared	Mike	Magruder/Ken Sweiga	rt, T&D - Substations/Transmission
				Reviewed		Heather Rosen	trater, Director - ENSO
				Reviewed			
				Neviewed	<u></u>	Andy Vicke	rs, Director - GPSS
						Laugu St	wins
					Left: Pictures of N		and Switchyard ard shortly after orginal construction - 1956 is are available upon request.
To be completed by Ca Rationale for decision		Froup					vlew Cycles
					Date		.012-2016 Template

Functional Group: Electric Transmission / Distribution

**Business Case Name:** Street Light Management

ER No: ER Name:

2584 Street Light Conversion to LED Fixtures

Approved Business Case Spend Amount 2014-2016 (\$000s - System): \$3,000<sup>1</sup>

### Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2014	-	-	-	-	-	-	-	-	-	-	-	-	-
2015	1,500	133	124	123	124	125	123	133	122	123	124	125	122
2016	1,500	142	123	120	122	124	120	143	118	120	124	124	118

### **Business Case Description:**

Street Light Maintenance Program. This program is a 5 year planned replacement of bulbs and 10 year planned replacement of photocells.

### Offsets:

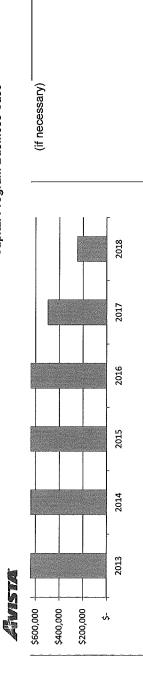
We anticipate there will be annual O&M savings in beginning in 2015 in the amount of \$468,000 and will increase to \$722,000 in 2016; an incremental increase of \$254,000. The offsets occur due to converting 100 Watt street lights from High Pressure Sodium. The savings comes from eliminating the labor, equipment, material, and overhead costs associated with repairing older lights. We have included \$468,000 (\$305,090 WA) for 2015 and \$254,000 (\$165,583 WA) for 2016 of O&M Offsets in our Proforma adjustment.

<sup>&</sup>lt;sup>1</sup> The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

	Duration/Timeframe Dept, Area: Owner:	Indefinite Operations Al Fisher	i je	2014			Str.	Financial: Strategic: Business Risk:		7.92% Life-cycle asset management Business Risk Reduction >5 and <= 10	set man	agement	d <= 10						
Performance   Program   This program is a 5 year planned replacement of bulbs and 10 year   Performance   Capital Cost   Other Costs	ionsor: itegory: andate/Reg. Reference:	mi La La l'Adia	NISK				Ass Ass	gram Kisk essment S	. I Eggs	moderate Ce	r rainiy a	Annual Co	schedi	Jie and res nary - Incre	ources ase/(Dec	rease)			
Light Maintenance Program: This program is a 5 year planned replacement of bulbs and 10 year replacement of photocells. This attendance has the starterboards running to failure.    Annual Cost Supplied	commend Program De	scription:								Performanc		apital Cost	0	&M Cost	Ò	her Costs	Business	Risk Score	
The lights are currently maintained based on customer feedback and/or due being noticed by an Avista employee. Many street light sare currently maintained based on customer feedback and/or due being noticed by an Avista employee. Many street light satisfies of of time which can put us at risk. We also spend a large amount of the being noticed by an Avista en bissue.    Street Light Maintenance Program. This program is a 5 year planned replacement of bulbs and a 10 year planned replacement of photocells.   1.53 event in plantament of bulbs and a 10 year planned replacement of photocells and photocells.   1.53 event in continuous starterboards running to failure.   10 years   1.53 event in plantament of bulbs and a 10 year planned replacement of photocells and photocells and solve a planned replacement of bulbs and a 10 year planned replacement of photocells and solve a planned replacement of bulbs and a 10 year planned replacement of bulbs and a 10 year planned replacement of photocells and solve a planned replacement of bulbs and a 10 year	eet Light Maintenance nned replacement of ŗ	Program. This shotocells. This	program s alternat	is a 5 year ive has the	r planned e starterb	replacem soards runi	ent of bu	ulbs and 10	0 year	7.92%	8	475,00	<b>⋄</b>	(250,00	8	(750,000			
Performance   Capital Cost												Annual Co	st Sumn	nary - Incre	ase/(Dec	rease)			
The lights are currently maintained based on customer feedback and/or due naintaining the to being noticed by an Avista employee. Nany street lights are out for long 1 - 5.3 event in lights a failures the near noticed by an Avista employee. Nany street lights are out for long 2 - 5.3 event in the project of time driving from issue to issue.    Street Light Maintenance Program. This program is a 5 year planned replacement of bulbs and 10 year planned replacement of photocells. This in 10 years   1.5 - 53 event in replacement of bulbs and starterboards and a 10 year planned replacement of photocells.   1.5 - 53 event in replacement of bulbs and starterboards and a 10 year planned replacement of photocells.   1.5 - 53 event in replacement of bulbs and starterboards and a 10 year planned replacement of photocells and starterboards and a 10 year planned replacement of photocells.   1.5 - 53 event in replacement of bulbs and starterboards and a 10 year planned replacement of photocells and starterboards and a 10 year planned replacement of photocells and starterboards and a 10 year planned replacement of photocells and starterboards and a 10 year planned replacement of photocells and starterboards and a 10 year planned replacement of photocells and starterboards and a 10 year planned replacement of photocells and starterboards and a 10 year planned replacement of photocells and starterboards and a 10 year planned replacement of photocells and starterboards and a 10 year planned replacement of photocells and starterboards and a 10 year planned replacement of photocells and starterboards and a 10 year planned replacement of photocells and starterboards and a 10 year planned replacement of photocells and starterboards and a 10 year planned replacement of photocells and starterboards and a 10 year planned replacement of photocells and starterboards and a 10 year planned replacement of photocells and starterboards and a 10 year planned replacement of photocells and starterboards and a 10 year planned replacement of phot	ernatives:								in the same of	Performanc	12	apital Cost	0	&M Cost	Ò	her Costs	Business	Risk Score	
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Evious         Capital Cost         O&M Cost         Other Costs         Approved           2013         \$         -         \$         -           2014         \$         -         \$         -           2015         \$         -         \$         -           2015         \$         -         \$         -           2016         \$         494,190         \$         (750,000)         \$         -         \$         1,500,000           2017         \$         5         -         \$         1,500,000           2017         \$         2         2         2         1,500,000           2017         \$         -         \$         1,500,000           2018         \$         -         \$         1,500,000	rnative 3:	Street Light replacemen starterboard	Maintene t of bulbs is.	ance Progrand a 10 y	am. This /ear plan	program i ned replac	s a 5 yea ement o	r planned f photocel	lls and	7.82% 1 - S3 event i 10 years		395,00		(250,00	AND SERVICE STREET	(1,165,000		2	
Capital Cost         O&M Cost         Other Costs         Approved           2013         \$         -         \$         -           2014         \$         -         \$         -           2015         \$         -         \$         -           2015         \$         -         \$         -           2015         \$         484,500         \$         (750,000)         \$         -         \$         1,500,000           2016         \$         494,190         \$         (750,000)         \$         -         \$         1,500,000           2017         \$         5         -         \$         1,500,000           2018         \$         -         \$         1,500,000	gram Cash Flows																		
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Total	\$ 1,957,	\$	(2,500,000) \$		\$ 7,500,000			
ER	2013	2014		2015	2016	2017	Total	Mandate Excerpt (if applicable):
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Total	\$	\$ 475	475,000 \$	484,500	\$ 494,190	\$ 504,074	4 \$ 1,957,764	
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					Fleet:	YES - attach form		<u> </u>
Key Performance Indicator(s) Expected Performance Improvements	rr(s) ements							
KPI Measure:	Monitoring the OM spending on street lights	A spending on	street	ghts				
	Monitor the number of lights maintained per year	er of lights ma	aintainec	l per year		ć		
	Total (	Total O&M Costs	ts			Prepared		
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\$1,400,000						Reviewed		
\$1,200,000								Director/Manager
\$1,000,000							)	Man. Stone
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Review Cycles 2012-2016



Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaulating the Program

To be completed by Capital Planning Group
Rationale for decision

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