Exhibit No. ___ (DCG-20)
Dockets UE-150204/UG-150205
Witness: David C. Gomez

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, **Complainant,** **v.** **AVISTA CORPORATION dba AVISTA UTILITIES,** **Respondent.**	**DOCKETS UE-150204 and UG-150205** **(*Consolidated*)**

EXHIBIT TO
TESTIMONY OF

DAVID C. GOMEZ

STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Avista Compliance Filing in Dockets UE-140188 & UG-140189 (consolidated) of February 26, 2015

July 27, 2015

Revised August 4, 2015

AVISTA

February 26, 2015

Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, Washington 98504-7250

Attention: Mr. Steve King, Executive Director & Secretary

RE: **Compliance Filing**- Avista Corporation – Dockets UE-140188 & UG-140189 (consolidated)

Please find enclosed for filing with the Commission the original and twenty copies of Avista's "2014 Capital Expenditure Final Report and 2015 Capital Expenditure Plan Update" report.

In Order No. 5 in the above referenced dockets, at Paragraph 50, the Commission stated:

> Avista agrees to provide semi-annual reporting of 2014 and 2015 capital expenditures with actual data by expenditure request, in the categories provided in its pro forma "cross check" plant adjustments. The settling parties agree to meet no later than January 31, 2015, to establish any additional details of the capital reporting requirements.

Attachment 3 to this report is being provided electronically on a CD, due to the voluminous nature.

Please direct any questions on this matter to Karen Schuh at 509.495.2293.

Sincerely,

Kelly Norwood

Kelly Norwood
Vice President, State & Federal Regulation

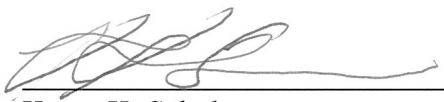
Enclosures
cc: Service list

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have served the Compliance Filing in Avista's Electric and Gas General Rate Case Filing (UE-140188 and UG-140189), by mailing a copy thereof, postage prepaid to the following:

Steven King Executive Director & Secretary Washington Utilities and Trans. Comm. 1300 S. Evergreen Park Dr. SW Olympia, WA 98504-7250 sking@utc.wa.gov	Simon ffitch Lisa Gafken Office Of The Attorney General Public Counsel Section 800 Fifth Avenue, Suite 2000 Seattle, WA 98104-3188 Simonf@atg.wa.gov Lisa.Gafken@atg.wa.gov
Mark Vasconi Washington Utilities and Trans. Comm. 1300 S. Evergreen Park Dr. SW Olympia, WA 98504-7250 mvasconi@utc.wa.gov	Ronald L. Roseman Attorney At Law 2011 14th Avenue East Seattle, WA 98112 ronaldroseman@comcast.net
Chad Stokes Tommy Brooks Cable Huston Benedict Haagensen & Lloyd LLP 1001 SW Fifth Avenue, Ste 2000 Portland, OR 97204-1136 cstokes@cablehuston.com tbrooks@cablehuston.com	Brett Shearer Patrick Oshie Washington Utilities & Transportation Commission P.O. Box 40128 Olympia,WA 98504-0128 bshearer@utc.wa.gov poshie@utc.wa.gov
Chuck Eberdt The Energy Project 3406 Redwood Ave. Bellingham, WA 98225 Chuck_Eberdt@opportunitycouncil.org	Melinda Davison Joshua Weber Davison Van Cleve, P.C. 333 S.W. Taylor, Suite 400 Portland, OR 97204 mjd@dvclaw.com jdw@dvclaw.com
Edward A. Finklea Executive Director Northwest Industrial Gas Users 326 Fifth Street Lake Oswego, OR 97034 efinklea@nwigu.org	Tom Schooley Washington Utilities and Trans. Comm. 1300 S. Evergreen Park Dr. SW Olympia, WA 98504-7250 tschooley@utc.wa.gov

I declare under penalty of perjury that the foregoing is true and correct.
Dated at Spokane, Washington this 26th day of February, 2015.



Karen K. Schuh
Sr Regulatory Analyst, Rates & Tariffs

2014 Capital Expenditure Final Report
and
2015 Capital Expenditure Plan Update

February 26, 2015

Provided Pursuant to Order No. 05
Docket Nos. UE-140188 & UG-140189 (Consolidated)

Background

This report is being provided pursuant to the Washington Utilities and Transportation Commission Order No. 5 in Docket Nos. UE-140188 & UG-140189 (Consolidated). Paragraph 50 of that Order states:

> Avista agrees to provide semi-annual reporting of 2014 and 2015 capital expenditures with actual data by expenditure request, in the categories provided in its pro forma "cross check" plant adjustments. The settling parties agree to meet no later than January 31, 2015, to establish any additional details of the capital reporting requirements.

The Company conferred with all Parties on January 26, 2015, to discuss the details of the capital reporting requirements. Avista provided a proposal that included additional information including details by expenditure request, construction work in progress (CWIP) roll-forward, and the 2013-2015 expenditure request detail for capital spend and transfers-to-plant. The Parties agreed that Avista would add the business case description, as well as the service and jurisdiction to the report for transfers-to-plant. Avista would also breakout the actual and budgeted data provided in the CWIP roll-forward (2013-2017).

The capital budget for 2014 and 2015 that was approved by Avista's Board of Directors in 2013 reflected a total Company budget for 2014 of $331 million, and for 2015 of $355 million. These capital investment dollar amounts for 2014 and 2015 were reflected in Avista's last general rate case[1], and were part of the foundation for the Settlement Agreement approved by the Commission in December 2014. As discussed in this report, Avista spent approximately $352 million in 2014, and currently plans to spend $376 million in 2015.

1. Final report on 2014 Capital Expenditures

Avista spent approximately $352 million in 2014. As compared to the $331 million for 2014, the Company spent approximately $21 million or 6.3% more than that reflected in our last general rate case. Please see Attachment 1 for a listing of business cases that comprised the approximate $352 million of spend, and Attachment 2.2 for a detailed listing of projects at the expenditure request level.

2. 2015 Capital Expenditure Plan

In the previous general rate case[2] the Company included $355 million of capital investment for 2015. During 2014 the Board of Directors increased this amount to approximately $376 million. As explained in the Company's previous general rate case by Company witness Mr. Thies[3], the

[1] Included in Exhibit No___(DBD-2) in Docket Nos. UE-140188 & UG-140189.
[2] Id.
[3] Docket Nos. UE-140188 & UG-140189, Exhibit Nos.___(MTT-1T)

Company is making significant capital investments in electric generation, transmission and distribution facilities, and in our natural gas distribution system to better serve the needs of our customers. These investments target the preservation and enhancement of safety, service reliability, and the replacement of aging infrastructure. As further explained by Mr. Thies, there are three primary drivers of the need to increase Avista's level of capital investment, including: 1) the business need to fund a greater portion of the departmental requests for new capital investments that in the past have not been funded; 2) the need to capture investment opportunities and benefits identified by our asset management capabilities, and 3) a continued focus on controlling the increase in operation and maintenance (O&M) spending through prudent capital investment.

Please see Attachments 2.1-2.4 for details surrounding capital spend and transfers to plant for 2014 and 2015.

3. Construction Work in Progress, Spend and Transfers to Plant and Business Case Support

The table below shows the balances in construction work in progress (CWIP), spend and transfers to plant from 2008 through 2017, to arrive at an ending CWIP balance. This table shows the relationship that the increased spending has on the overall transfers to plant and ending CWIP balance.

TABLE No. 1:

Construction Work in Progress (CWIP) Roll Forward
System Level Including Growth

Year	Beginning Balance - CWIP		Actual Spend	Attach.	Forecast Spend	Attach.	Actual Transfers to Plant	Attach.	Forecast Transfers to Plant	Attach.	Ending Balance - CWIP
2007											75,679,838
2008	75,679,838		214,676,440				(214,788,054)				75,568,224
2009	75,568,224		203,921,574				(222,272,320)				57,217,478
2010	57,217,478		197,852,082				(194,303,406)				60,766,153
2011	60,766,153		246,790,433				(229,374,357)				78,182,229
2012 [1]	78,182,229		264,615,808				(203,284,146)				139,513,892
2013	139,513,892		295,863,630	2.1	268,312,000		(272,392,659)	2.4	(220,444,921)		162,984,863
2014	162,984,863		351,553,982	2.2	331,000,000		(279,642,278)	2.5	(329,175,816)		234,896,568
2015	234,896,568				376,313,654	2.3			(479,996,088)	2.6	131,214,134
2016	131,214,134				350,000,000				(356,701,055)		124,513,079
2017	124,513,079				350,000,000				(365,985,095)		108,527,984
Total 2008-2017			**1,775,273,948**		**1,675,625,654**		**(1,616,057,218)**		**(1,752,302,975)**		

[1] – Starting in 2012, the CWIP balance began to grow, mainly due to long-term projects, such as the Company's Customer Information System (CIS) Project, which was moved into service in Feburary of 2015.

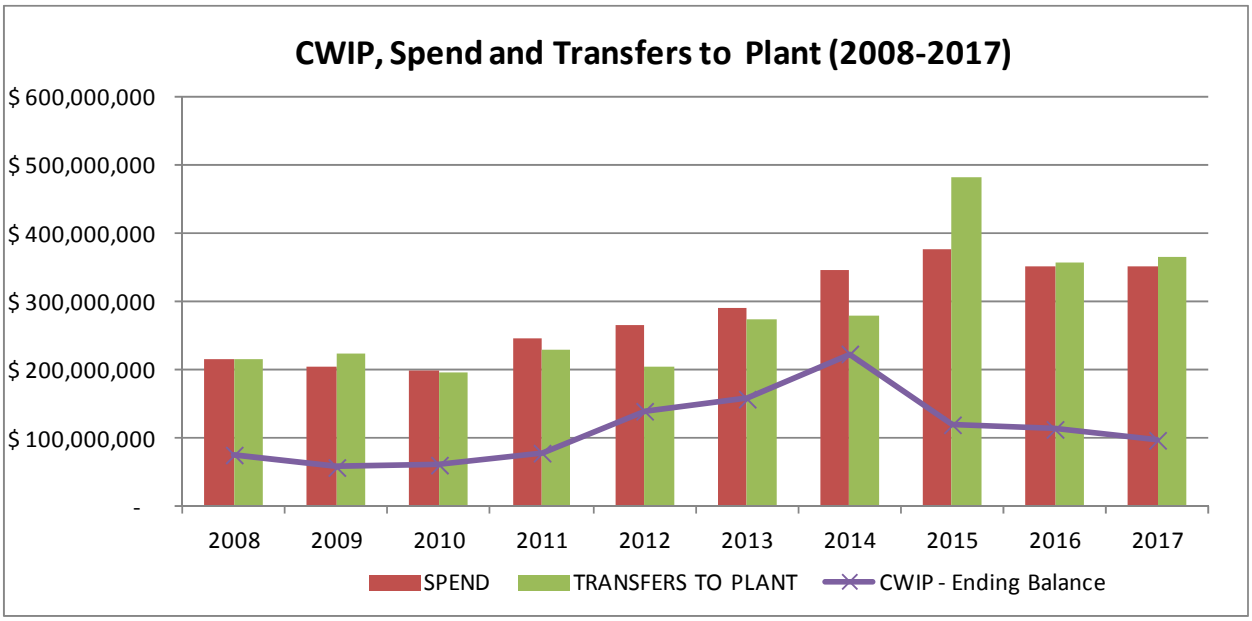
This information is also included in Attachment 2 along with additional expenditure request detail for the years 2013 -2015 in Attachments 2.1-2.6. The components of the above table are described as follows:

- Beginning Balance CWIP – System CWIP balance from the Company's general ledger.

- Actual Spend – The actual amount of system capital spending. Expenditure Request Number (ER) detail for the years 2013-2014 are provided in Attachments 2.1 and 2.2 to the report. The ER data is categorized in the Attachments by functional group and agrees to the total spend listed in the above table.
- Forecast Spend -Forecasted amount of system capital spending. ER detail for the year 2015 is provided in Attachment 2.3. The spend amounts by ER are categorized in the Attachment by functional group and agree to the total spend listed in the above table.
- Actual Transfers to Plant – The actual amount of system Transfers to Plant (TTP). ER detail for the years 2013-2014 is included in Attachments 2.4 and 2.5. The TTP amounts by ER are categorized in Attachments 2.4 and 2.5 by functional group and agree to the total TTP listed in the above table.
- Forecast TTP- The forecasted amount of system TTP. The ER detail for 2015 is provided as Attachment 2.6 to the report. The TTP amounts by ER are categorized in the attachment by functional group and agree to the total TTP listed in the above table.
- Ending Balance CWIP – System CWIP Balance, which is the sum of the beginning balance, spend and transfers to plant.

The above information is graphed below as Illustration No. 1 to better demonstrate the relationship of CWIP, spend and transfers to plant.

ILLUSTRATION No.1:



The Company has provided the business case summary sheets for 2015 as Attachment 3.[4] The information provided on those sheets is what Avista's Capital Planning Group uses to prioritize, approve or reject projects. Some of the components of the summary sheets are as follows:

- Project description
- Project alternatives
- Cost Summary (not transfers to plant)
- Business Risk
- Financial Assessment
- Strategic Assessment
- Justification for the project (Mandatory, etc.)
- Milestones
- Resource Requirements
- Key Performance indicators
- Earned Value Metrics

[4] This information was also provided in the Company's 2014 general rate case, Dockets UE-150204 & UG-150205, Exhibit Nos.___(KKS-4) and (KKS-5). The projects included in KKS-4 relate to capital transfers to plant in 2015, whereas, the capital budget amounts discussed above relate to capital spend in 2015.

ATTACHMENT 1

2014 Capital Expenditures

AVISTA Utilities

Capital Expenditures by Business Case
December 2014

Business Case	YTD Actual
Clark Fork Settlement Agreement	9,239,962
Environmental Compliance	195,280
Hydro Safety Minor Blanket	85,923
Spokane River License Implementation	2,147,203
Wa State Park & Rec Utility Use Agreement	71,998
Total Environmental	**11,740,365**
Aldyl A Replacement	16,917,201
Gas Cathodic Protection Program	819,910
Gas Chase Rd Gate Stn and HP Main Project	4,682,972
Gas Deteriorated Steel Pipe Replacement Program	1,254,728
Gas East Medford HP Main Reinforcement Project	811,519
Gas Goldendale HP Main Reinforcement Project	11,877
Gas Isolated Steel Replacement Program	1,852,777
Gas Ladd Canyon Gate Station	802,785
Gas N-S Corridor Greene St HP Main Project	10,453
Gas Non-Revenue Program	6,638,103
Gas Oakland Bridge HP Main Gas Project	267,113
Gas Overbuilt Pipe Replacement Program	689,176
Gas PMC Program	1,200,035
Gas Regulator Stn Replacement Program	659,726
Gas Reinforcement Program	1,214,978
Gas Replacement Street and Highway Program	4,432,448
Gas Spokane St Bridge IP Main Project	24,338
Gas Telemetry Program	294,917
Old Hwy 95 Relocation	803
Total Gas	**42,585,860**
Base Load Hydro	664,784
Base Load Thermal Plant	2,244,542
Cabinet Gorge Unit 1 Refurbishment	5,428,959
Colstrip Thermal Capital	5,626,450
Coyote Springs LTSA	838,472
CS2 Capital Improvements	(7,879)
Generation Battery Replacement	183,845
Kettle Falls Water Supply	750,879
KFGS Ash Collector	2,144,343
Little Falls Plant Upgrade	9,548,799
Nine Mile Rehab	26,059,264
Noxon Rapids Turbine Replacement	42,986
Noxon Spare Coils	38,875
Peaking Generation	82,772
Post Falls South Channel Replacement	6,597,792
Regulating Hydro	2,519,775
Total Generation	**62,764,658**

Capital Expenditures by Business Case
December 2014

Business Case	YTD Actual
New Revenue - Growth	43,135,822
Lewiston Mill Road Sub	3,021,696
Total Growth	**46,157,518**
AvistaUtilities.com and AvaNet Redesign	1,144,002
Enterprise Business Continuity Plan	463,780
Enterprise Security	2,614,041
High Voltage Protection for Substations	489,905
Microwave Refresh	929,594
Mobility in the Field	530,896
Next Generation Radio Refresh	3,227,541
RTCCS Refresh	(1,348)
Technology Expansion to Enable Business Process	4,645,512
Technology Refresh to Sustain Business Process	15,215,613
Transmission Outage Management	65,800
CSS Replacement	42,053,398
Total ET	**71,378,734**
Apprentice Training	62,984
Capital Tools & Stores Equipment	1,887,318
Clinic Expansion Project	2,171
COF Long-Term Restructuring Plan	1,180,126
Dollar Rd Service Center Addition and Remodel	1,194
Fleet Budget	5,862,363
Franchising for WSDOT	149,573
HVAC Renovation Project	6,273,461
Jackson Prairie Storage	727,926
New Deer Park Service Center	7,040
Structures and Improvements/Furniture	3,447,441
Productivity Initiative	1,742,944
Strategic Initiatives	367,090
CNG Fleet Conversion	1,197,209
GridGlo GFX Integration	422,235
Total Other	**23,331,074**
Clearwater Sub Upgrades	1,183,046
Colstrip Transmission	249,307
Dist Grid Modernization	10,140,626
Distribution Line Protection	291,871
Distribution Minor Rebuild	8,227,139
Distribution Transformer Change-Out Program	3,747,953
Distribution Wood Pole Management	9,512,319
Elec Replacement/Relocation	1,374,996
Harrington 4 kV Cutover	28,954
Meter Minor Blanket	317,678
Moscow 230 Sustation Rebuild	2,054,257

Capital Expenditures by Business Case
December 2014

Business Case	YTD Actual
Noxon Switchyard Rebuild	4,292,376
Primary URD Cable Replacement	737,639
SCADA - SOO & BUCC	1,232,388
Segment Reconductor and FDR Tie Program	2,653,295
Smart Grid Demonstration Project	432,151
Smart Grid Workforce Training Grant - DOE	30,728
Spokane Electric Network	1,891,395
Spokane Smart Circuit	(56,061)
Spokane Valley Transmission Reinforcement	1,858,135
Storms	10,108,199
Substation - 115 kV Line Relay Upgrades	74,204
Substation - Asset Mgmt. Capital Maintenance	3,653,936
Substation - Capital Spares	1,957,055
Substation - Distribution Station Rebuilds	6,014,421
Substation - New Distribution Stations	3,183,998
T&D Reimbursable	339,374
Thornton 230 kV Switching Station	1,848
Transmission - Asset Management	4,239,464
Transmission - NERC High Priority Mitigation	1,976,969
Transmission - NERC Low Priority Mitigation	1,193,697
Transmission - NERC Medium Priority Mitigation	1,890,745
Transmission - Reconductors and Rebuilds	6,538,020
Tribal Permits and Settlements	314,732
Westside Rebuild	1,927
Worst Feeders	1,906,993
Total T&D	**93,595,773**
Subtotal Capital Expenditures	**351,553,982**

Total Capital Expenditures	**351,553,982**

ATTACHMENTS 2-2.6

SPEND AND TRANSFERS TO PLANT BY ER

Construction Work in Progress (CWIP) Roll Forward
System Level Including Growth

Year	Beginning Balance - CWIP	Actual Spend	Attach.	Forecast Spend	Attach.	Actual Transfers to Plant	Attach.	Forecast Transfers to Plant	Attach.	Ending Balance - CWIP
2007										75,679,838
2008	75,679,838	214,676,440				(214,788,054)				75,568,224
2009	75,568,224	203,921,574				(222,272,320)				57,217,478
2010	57,217,478	197,852,082				(194,303,406)				60,766,153
2011	60,766,153	246,790,433				(229,374,357)				78,182,229
2012 [1]	78,182,229	264,615,808				(203,284,146)				139,513,892
2013	139,513,892	295,863,630	2.1	268,312,000		(272,392,659)	2.4	(220,444,921)		162,984,863
2014	162,984,863	351,553,982	2.2	331,000,000		(279,642,278)	2.5	(329,175,816)		234,896,568
2015	234,896,568			376,313,654	2.3			(479,996,088)	2.6	131,214,134
2016	131,214,134			350,000,000				(356,701,055)		124,513,079
2017	124,513,079			350,000,000				(365,985,095)		108,527,984
Total 2008-2017		**1,775,273,948**		**1,675,625,654**		**(1,616,057,218)**		**(1,752,302,975)**		

[1] Starting in 2012, the CWIP balance began to grow, mainly due to long-term projects, such as the Company's Customer Information System (CIS) Project, which was moved into service in Feburary of 2015.

Note: 1) The above data was extracted from the general ledger (discoverer) and includes all spend and transfers to plant that occurred, including growth. Growth projects transfer monthly, with the same amount in both spend and inTTP.

Capital Budget Report			
December 2013 - Actual Spend			
Er	**Business Case Description**	**Er Desc**	**Ytd Actual**
6000	Environmental Compliance	PCB Identification & Disposal	46,419
6001	Hydro Safety Minor Blanket	Hydro Generation Minor Blanket	3,490
6101	Environmental Compliance	Forest Srvc Rqmts	205,924
6100	Clark Fork Settlement Agreement	Clark Fork License/Compliance	127,777
6103	Clark Fork Settlement Agreement	Clark Fork Implement PME Agreement	4,562,753
6107	Spokane River License Implementation	Spokane River Implementation (PM&E)	2,853,736
		Total Environmental	**7,800,100**
3000	Gas Reinforcement Program	Gas Reinforce-Minor Blanket	1,043,607
3001	Gas Deteriorated Steel Pipe Replacement Program	Replace Deteriorating Gas System	689,758
3002	Gas Regulator Stn Replacement Program	Regulator Reliable - Blanket	626,711
3003	Gas Replacement Street and Highway Program	Gas Replace-St&Hwy	3,693,835
3004	Gas Cathodic Protection Program	Cathodic Protection-Minor Blanket	619,209
3005	Gas Non-Revenue Program	Gas Distribution Non-Revenue Blanket	8,380,639
3006	Gas Overbuilt Pipe Replacement Program	Overbuilt Pipe Replacement Blanket	634,286
3007	Gas Isolated Steel Replacement Program	Starting in 2012, the CWIP balance began to grow, mainly d	2,288,335
3008	Aldyl A Replacement	Aldyl -A Pipe Replacement	13,205,373
3117	Gas Telemetry Program	Gas Telemetry	421,360
3203	Gas East Medford HP Main Reinforcement Project	East Medford Reinforcement	400,407
3237	Gas N Spokane Hwy 2 HP Main Reinforcement Project	US2 N Spokane Gas HP Reinforce (Kaiser Property)	4,880
3246	Gas Chase Rd Gate Stn and HP Main Project	Construct Chase Rd Gate Stn Post Falls ID	1,190,095
3257	Gas Oakland Bridge HP Main Gas Project	Oakland Bridge Bore & Relocation, Oakland OR	16,776
3268	Gas Reinforcement Program	Reinforcement Appleway Bridge Crossing, Lib Lk, WA	150,029
3291	Smart Grid Demonstration Project	Install Gas AMI for Pullman Smart Grid	2,292
3293	Completed	Klamath Falls Lateral	40,822
3297	Completed	Hwy 95 Relocation and Replacement w/ 6" PE	164,043
3298	Old Hwy 95 Relocation	Old Hwy 95 Relocation	5,988
3299	Completed	Tri City, OR Easement & 6" HP Relocation	1,806
3300	Reinforce-Pierce Rd, La Grande	Reinforce-Pierce Rd, La Grande	(11,134)
3302	Gas Replacement Street and Highway Program	HWY 62 - HP & IP Main Relocation & SSFT #1316	1,038,098
3305	Gas Spokane St Bridge IP Main Project	Spokane St Bridge Gas Main	86,187
		Total Gas	**34,693,403**
4108	Generation Battery Replacement	System Battery Replacement	55,071
4132	CS2 Capital Improvements	CS2 Capital Improvements	(5,236)
4139	Noxon Rapids Turbine Replacement	Noxon Unit 4 Runner Upgrade	(1,731)
4140	Nine Mile Rehab	Nine Mile Redevelopment	10,794,355
4143	Coyote Springs LTSA	CS2 LTSA Cash Accrual	996,162
4147	Base Load Hydro	Base Hydro	905,557
4148	Regulating Hydro	Regulating Hydro	2,517,815
4149	Base Load Thermal Plant	Base Load Thermal	6,852,276
4150	Peaking Generation	Peaking Generation	592,861
4151	Kettle Falls Water Supply	Kettle Falls Develop New River Wells	500,146
4152	Little Falls Plant Upgrade	Little Falls Powerhouse Redevelopment	5,354,564
4153	Completed	Post Falls Intake Gate Replacement	900,661
4154	Completed	Rathdrum CT Upgrade Unit 1 to Mark VI Controller	459,494
4159	Completed	RCT Unit #2 Hot Gas Path Overhaul	220,911
4160	Completed	GPSS Electric Shp 5Ton Crane Replacement	9,933
4161	Cabinet Gorge Unit 1 Refurbishment	Cabinet Gorge HED U#1 Refurbishment	1,380,860
4162	Post Falls South Channel Replacement	Post Falls S Channel Gate Replacement	1,133,149
7130	Colstrip Thermal Capital	Colstrip Unit 4 Outage due to Generator Failure	950,470
		Total Generation	**33,617,318**
1000	New Revenue - Growth	Electric Revenue Blanket	13,615,586
1001	New Revenue - Growth	Gas Revenue Blanket	13,545,936
1002	New Revenue - Growth	Electric Meters Minor Blanket	596,683
1003	New Revenue - Growth	Distribution Line Transformers	6,008,448
1004	New Revenue - Growth	Street Lt Minor Blanket	985,560
1005	New Revenue - Growth	Area Light Minor Blanket	595,162
1009	New Revenue - Growth	Network Transformers and Network Protectors	900,390
1050	New Revenue - Growth	Gas Meters Minor Blanket	1,910,571
1051	New Revenue - Growth	Gas Regulators Minor Blanket	379,633
1053	New Revenue - Growth	Gas ERT Minor Blanket	803,829
1106	New Revenue - Growth	Lucky Friday 115 kV Rebuild for Load Growth	1,699,278
1107	Lewiston Mill Road Sub	Lewiston Mill Rd. 115 kV Substation - New Sub	61,654
		Total Growth	**41,102,732**
5005	Technology Refresh to Sustain Business Process	Technology Refresh Blanket	10,562,090
5006	Technology Expansion to Enable Business Process	Information Technology Expansion Blanket	5,616,386
5010	Enterprise Business Continuity Plan	Enterprise Business Continuity	469,041
5014	Enterprise Security	Security Systems	1,496,792
5106	Next Generation Radio Refresh	Next Generation Radio System	2,665,089

Capital Budget Report			
December 2013 - Actual Spend			
Er	**Business Case Description**	**Er Desc**	**Ytd Actual**
5119	RTCCS Refresh	Moducom Replacement (RTCCS)	150,275
5121	Microwave Refresh	Microwave Replacement with Fiber	1,488,315
5138	CSS Replacement	Customer Information System (CIS) Replacement	34,404,582
5142	High Voltage Protection for Substations	High Voltage Protection Upgrade	696,307
5143	AvistaUtilities.com and AvaNet Redesign	AU.com AVANet Redevelopment	402,202
5144	Mobility in the Field	Mobility in the Field	50,656
		Total ET	**58,001,734**
7000	Fleet Budget	Transportation Equip	5,648,491
7001	Structures and Improvements/Furniture	Structures & Improv	2,856,738
7002	Capital Tools & Stores Equipment	Office Mach & Equiq	33,539
7003	Structures and Improvements/Furniture	Office Furniture	795,323
7005	Capital Tools & Stores Equipment	Stores Equip	434,639
7006	Capital Tools & Stores Equipment	Tools Lab & Shop Equipment	293,063
7101	HVAC Renovation Project	COF HVAC Improvmt	7,960,327
7107	Dollar Rd Service Center Addition and Remodel	Dollar Road Land Purchase and Facility Expansion	1,397,715
7114	Vehicle Portion of Solar Plug In Hybrid Initiative	Vehicle Portion of Solar Plug In Hybrid Initiative	(520)
7108	Franchising for WSDOT	WSDOT Highway Franchise Consolidation	128,108
7120	Clinic Expansion Project	Spokane Health Clinic	136,374
7126	COF Long-Term Restructuring Plan	Long term Campus Re-Structuring Plan for 2012 & 13	7,732,623
7200	Apprentice Training	Appren Craft Train	39,459
7201	Jackson Prairie Storage	Jackson Prairie Storage	446,639
7205	Smart Grid Workforce Training Grant - DOE	Smart Grid Workforce Training	163,436
7050	Productivity	Productivity Initiative	8,826,505
7127	CNG Fleet Conversion	CNG Fleet Conversion	946,362
7129	GridGlo GFX Integration	GridGlo GFX Integration	186,271
		Total Other	**38,025,094**
1006	Substation - Capital Spares	Power Xfmr-Distribution	3,646,711
2001	Substation - Capital Spares	Power Circuit Breaker	1,595,683
2051	Storms	Transmission Minor Blanket	1,496,984
2054	Primary URD Cable Replacement	Electric Underground Replacement	982,815
2055	Distribution Minor Rebuild	Electric Distribution Minor Blanket	10,213,967
2056	Elec Replacement/Relocation	T&D Line Relocation	2,084,405
2057	Transmission - Asset Management	Transmission Minor Rebuild	970,036
2058	Spokane Electric Network	Spokane Electric Network Incr Capacity	1,899,039
2059	Storms	Failed Electric Plant-Unknown	2,733,229
2060	Distribution Wood Pole Management	Wood Pole Mgmt	9,258,713
2061	Elec Replacement/Relocation	WSDOT Franchise Requirements	108,473
2070	T&D Reimbursable	Trans/Dist/Sub Reimbursable Projects	303,912
2073	Meter Minor Blanket	Elec Meter Replacement Non Revenue	14,750
2112	Substation - Distribution Station Rebuilds	Beacon 230 kV Sub- Convert to DB-DB	(16,815)
2204	Substation - Distribution Station Rebuilds	System Wood Substation Rebuilds	1,385,776
2214	Colstrip Transmission	Colstrip Transmission Capital Additions	418,080
2215	Substation - Asset Mgmt. Capital Maintenance	System Rplc High Voltage OCBs	177,488
2217	Substation - 115 kV Line Relay Upgrades	Spokane-CDA 115 kV Line Relay Upgrades	202,320
2251	Spokane Electric Network	Spokane-CDA 115 kV Line Relay Upgrades	467,056
2252	Substation - Asset Mgmt. Capital Maintenance	System-Replace Obsolete Equipment	904,360
2253	Substation - Asset Mgmt. Capital Maintenance	System-Upgrade Meters	94,895
2254	Transmission - Asset Management	System 115kV Air Switch Upgrade	150,556
2260	Substation - Asset Mgmt. Capital Maintenance	System-Upgrade Surge Protection	6,386
2273	Substation - Asset Mgmt. Capital Maintenance	Beacon ST YD-Oil Contain	47,836
2275	Substation - Asset Mgmt. Capital Maintenance	System-Rock/Fence Restore	84,940
2276	Distribution Line Protection	Distribution Line Protection	250,438
2277	SCADA - SOO & BUCC	SCADA Replacement	236,459
2278	Substation - Asset Mgmt. Capital Maintenance	System-Replace Obsolete Reclosers	325,350
2283	Substation - Distribution Station Rebuilds	Millwood Sub-Increase Capacity	2,096,709
2289	Harrington 4 kV Cutover	Harrington Conversion to 13 kV	5,332
2293	Substation - Asset Mgmt. Capital Maintenance	SCADA II-Add Supv	228,493
2294	Substation - Asset Mgmt. Capital Maintenance	System-Batteries	211,826
2301	Tribal Permits and Settlements	Tribal Permits and Settlements	341,372
2306	Substation - Distribution Station Rebuilds	Appleway 115-13 Increase Capacity	262,387
2310	Transmission - Reconductors and Rebuilds	West Plains Transmission Reinforce	413
2336	Substation - Asset Mgmt. Capital Maintenance	System - Replace Dist Power Xfmrs	293,794
2341	Substation - Distribution Station Rebuilds	Ninth & Central Sub - Increase Capacity & Rebuild	507
2342	Substation - Distribution Station Rebuilds	PineCk 230Sub-Rplc Circuit Switch&Relays	128,599
2343	Substation - Asset Mgmt. Capital Maintenance	System - Replace/Install Substation Structures	238,590
2390	Substation - Distribution Station Rebuilds	Otis Orchards 115-Replace PCBs & Relays	475
2397	Substation - Asset Mgmt. Capital Maintenance	System-Install Metering Ancillary Svc	36,768
2414	Worst Feeders	Sys-Dist Reliability-Improve Worst Fdrs	2,042,089

Capital Budget Report			
December 2013 - Actual Spend			
Er	**Business Case Description**	**Er Desc**	**Ytd Actual**
2423	Transmission - Reconductors and Rebuilds	System Transmission:Rebuild Condition	114,589
2425	Substation - Asset Mgmt. Capital Maintenance	High Voltage Fuse Upgrades	78,951
2443	Substation - New Distribution Stations	Otis Orchards 115-13kV Sub-New Construct	603,818
2446	Spokane Valley Transmission Reinforcement	Irvin 115 kV Switching Station - New Const	932,921
2449	Substation - Asset Mgmt. Capital Maintenance	Shw-Sun 115 Nelson Steel	542,180
2457	Transmission - Reconductors and Rebuilds	Benton-Othello 115 Recond	17,056
2470	Dist Grid Modernization	System Efficiency Feeder Rebuild	6,217,686
2481	Substation - Asset Mgmt. Capital Maintenance	System-Replace/Install Capacitor Banks	1,073,981
2484	Moscow 230 Sustation Rebuild	Moscow 230 kV Sub -Rebuild 230 kV Yard	4,485,025
2492	Substation - Asset Mgmt. Capital Maintenance	System-Install Autotransformer Diagnostic Monitor	20,920
2493	Substation - Asset Mgmt. Capital Maintenance	System-Replace/Upgrade Voltage Regulators	470,944
2505	Substation - Asset Mgmt. Capital Maintenance	System-Replace Bushing Potential Devices	32,089
2514	Segment Reconductor and FDR Tie Program	Distribution - Spokane North & West	1,725,230
2515	Segment Reconductor and FDR Tie Program	Distribution - CdA East & North	787,673
2516	Segment Reconductor and FDR Tie Program	Distribution - Pullman & Lewis Clark	623,284
2522	Substation - Distribution Station Rebuilds	10th & Stewart Dx Int	342,639
2526	Spokane Valley Transmission Reinforcement	Opportunity 12F2 Cx Fdr	8,193
2529	Spokane Smart Circuit	Smart Grid	790,971
2530	Smart Grid Demonstration Project	SGDP-Pullman Smart Grid Demonstration Project	1,671,778
2531	Westside Rebuild	Westside 230 kV Substation - Rebuild	85,861
2532	Noxon Switchyard Rebuild	Noxon 230 kV Substation - Rebuild	231,978
2533	Substation - Distribution Station Rebuilds	Pullman Substation - Rebuild	19,582
2535	Distribution Transformer Change-Out Program	PCB Related Distribution Rebuilds	2,846,360
2538	Substation - Distribution Station Rebuilds	College & Walnut Substation Yard Expansion	83,286
2545	Thornton 230 kV Switching Station	Thornton 230 kV Switching Station - Construct	19,166
2546	Substation - Distribution Station Rebuilds	Blue Creek 115 kV - Rebuild	259,493
2547	Substation - Distribution Station Rebuilds	Lucky Friday 115 kV - Rebuild	218,747
2549	Transmission - Reconductors and Rebuilds	Moscow City to North Lewiston 115kV Rebuild Proj	6,445,399
2550	Transmission - Reconductors and Rebuilds	Burke-Thompson A&B 115kV Transmission Rebuld Proj	2,190,649
2552	Spokane Valley Transmission Reinforcement	Opportunity 115 kV Switching Station	10,873
2553	Transmission - NOX-HOT #2 230kV Reroute	Noxon - Hot Springs #2 230kV Reroute	948
2554	Dist Grid Modernization	Feeder Automation Upgrades	30,145
2555	Westside Rebuild	Coulee-Westside 230kV Transmission Line: R-O-W	2,868
2559	Substation - Distribution Station Rebuilds	Hatwai-Replace Breaker A-113 & Assoc Air Switches	6,992
2560	Transmission - NERC High Priority Mitigation	Line Ratings Mitigation Project	1,447,903
2563	Substation - Distribution Station Rebuilds	Stratford 115kV - Upgrade Bus	180,691
2564	Transmission - Reconductors and Rebuilds	Devils Gap-Lind 115kV Transmission Rebuild Proj	23,041
2570	Dist Grid Modernization	Sandpoint Grid Modernization Project	1,064,531
2571	Clearwater Sub Upgrades	Clearwater 115 kV Substation Upgrades	929,346
2572	Substation - Distribution Station Rebuilds	Noxon Construction Sub - Minor Rebuild	18,591
2573	Substation - Distribution Station Rebuilds	Little Fall 115 kV Sub - Rebuild	32,701
2581	Transmission - NERC Medium Priority Mitigation	Medium Priority Ratings Mitigation	2,968
		Total T&D	**82,623,248**
		Sum	**295,863,630**
			CWIP Summary

Capital Budget Report

December 2014 - Actual Spend

Er	Business Case Description	Er Desc	Ytd Actual
6000	Environmental Compliance	PCB Identification & Disposal	75,572
6001	Hydro Safety Minor Blanket	Hydro Generation Minor Blanket	85,923
6002	Environmental Compliance	Environmental Compliance Blanket	120,395
6101	Environmental Compliance	Forest Srvc Rqmts	(687)
6100	Clark Fork Settlement Agreement	Clark Fork License/Compliance	38,724
6103	Clark Fork Settlement Agreement	Clark Fork Implement PME Agreement	9,201,237
6107	Spokane River License Implementation	Spokane River Implementation (PM&E)	2,147,203
6109	Wa State Park & Rec Utility Use Agreement	Wa St Park Utility Use Agreement	71,998
		Total Environmental	**11,740,365**
3000	Gas Reinforcement Program	Gas Reinforce-Minor Blanket	1,214,978
3001	Gas Deteriorated Steel Pipe Replacement Program	Replace Deteriorating Gas System	1,254,728
3002	Gas Regulator Stn Replacement Program	Regulator Reliable - Blanket	659,726
3003	Gas Replacement Street and Highway Program	Gas Replace-St&Hwy	4,429,277
3004	Gas Cathodic Protection Program	Cathodic Protection-Minor Blanket	819,910
3005	Gas Non-Revenue Program	Starting in 2012, the CWIP balance began to grow, mainly d	6,638,103
3006	Gas Overbuilt Pipe Replacement Program	Overbuilt Pipe Replacement Blanket	689,176
3007	Gas Isolated Steel Replacement Program	Isolated Steel Replacement	1,852,777
3008	Aldyl A Replacement	Aldyl -A Pipe Replacement	16,917,201
3055	Gas PMC Program	Gas Meter Replacement Non Revenue	1,200,035
3117	Gas Telemetry Program	Gas Telemetry	294,917
3203	Gas East Medford HP Main Reinforcement Project	East Medford Reinforcement	811,519
3246	Gas Chase Rd Gate Stn and HP Main Project	Construct Chase Rd Gate Stn Post Falls ID	4,682,972
3257	Gas Oakland Bridge HP Main Gas Project	Oakland Bridge Bore & Relocation, Oakland OR	267,113
3298	Old Hwy 95 Relocation	Old Hwy 95 Relocation	803
3302	Gas Replacement Street and Highway Program	HWY 62 - HP & IP Main Relocation & SSFT #1316	3,171
3303	Gas Ladd Canyon Gate Station	Gas Ladd Canyon Gate Stn Upgrade, La Grande	802,785
3304	Gas N-S Corridor Greene St HP Main Project	NSC Greene St HP Gas Main	10,453
3305	Gas Spokane St Bridge IP Main Project	Spokane St Bridge Gas Main	24,338
3306	Gas Goldendale HP Main Reinforcement Project	Goldendale HP	11,877
		Total Gas	**42,585,860**
4108	Generation Battery Replacement	System Battery Replacement	183,845
4116	Colstrip Thermal Capital	Colstrip Capital Additions	6,044,868
4132	CS2 Capital Improvements	CS2 Capital Improvements	(7,879)
4139	Noxon Rapids Turbine Replacement	Noxon Rapids Unit 4 Runner Upgrade	42,986
4140	Nine Mile Rehab	Nine Mile Redevelopment	26,059,264
4143	Coyote Springs LTSA	CS2 LTSA Cash Accrual	838,472
4147	Base Load Hydro	Base Hydro	664,784
4148	Regulating Hydro	Regulating Hydro	2,519,775
4149	Base Load Thermal Plant	Base Load Thermal	2,244,542
4150	Peaking Generation	Peaking Generation	82,772
4151	Kettle Falls Water Supply	Kettle Falls Develop New River Wells	750,879
4152	Little Falls Plant Upgrade	Little Falls Powerhouse Redevelopment	9,548,799
4161	Cabinet Gorge Unit 1 Refurbishment	Cabinet Gorge HED U#1 Refurbishment	5,428,959
4162	Post Falls South Channel Replacement	Post Falls S Channel Gate Replacement	6,597,792
4166	Noxon Spare Coils	Noxon Rapids HED Spare Coils	38,875
4168	KFGS Ash Collector	KFGS Ash Collector	2,144,343
7130	Colstrip Thermal Capital	Colstrip Unit 4 Outage due to Generator Failure	(418,418)
		Total Generation	**62,764,658**
1000	New Revenue - Growth	Electric Revenue Blanket	15,392,509
1001	New Revenue - Growth	Gas Revenue Blanket	14,324,080
1002	New Revenue - Growth	Electric Meters Minor Blanket	799,283
1003	New Revenue - Growth	Distribution Line Transformers	6,728,295
1004	New Revenue - Growth	Street Lt Minor Blanket	1,361,523
1005	New Revenue - Growth	Area Light Minor Blanket	476,287
1009	New Revenue - Growth	Network Transformers & Network Protectors	1,068,337
1050	New Revenue - Growth	Gas Meters Minor Blanket	1,998,165
1051	New Revenue - Growth	Gas Regulators Minor Blanket	295,846
1053	New Revenue - Growth	Gas ERT Minor Blanket	684,038
1106	New Revenue - Growth	Lucky Friday 115 kV Rebuild for Load Growth	7,459
1107	Lewiston Mill Road Sub	Lewiston Mill Rd. 115 kV Substation - New Sub	3,021,696
		Total Growth	**46,157,518**
5005	Technology Refresh to Sustain Business Process	Information Technology Refresh Program	15,215,613
5006	Technology Expansion to Enable Business Process	Information Technology Expansion Program	4,645,512
5010	Enterprise Business Continuity Plan	Enterprise Business Continuity	463,780
5014	Enterprise Security	Security Systems	2,614,041
5106	Next Generation Radio Refresh	Next Generation Radio System	3,227,541
5119	RTCCS Refresh	Moducom Replacement (RTCCS)	(1,348)
5121	Microwave Refresh	Microwave Replacement with Fiber	929,594
5142	High Voltage Protection for Substations	High Voltage Protection Upgrade	489,905

Capital Budget Report			
December 2014 - Actual Spend			
Er	**Business Case Description**	**Er Desc**	**Ytd Actual**
5143	AvistaUtilities.com and AvaNet Redesign	AU.com AVANet Redevelopment	1,144,002
5144	Mobility in the Field	Mobility in the Field	530,896
5148	Transmission Outage Management	Transmission Outage Management	65,800
5138	CSS Replacement	Customer Information System (CIS) Replacement	42,053,398
		Total ET	**71,378,734**
7000	Fleet Budget	Transportation Equip	5,862,363
7001	Structures and Improvements/Furniture	Structures & Improv	3,359,865
7003	Structures and Improvements/Furniture	Office Furniture	87,575
7005	Capital Tools & Stores Equipment	Stores Equip	403,465
7006	Capital Tools & Stores Equipment	Tools Lab & Shop Equipment	1,483,853
7101	HVAC Renovation Project	COF HVAC Improvmt	6,273,461
7107	Dollar Rd Service Center Addition and Remodel	Dollar Road Land Purchase and Facility Expansion	1,194
7108	Franchising for WSDOT	WSDOT Highway Franchise Consolidation	149,573
7120	Clinic Expansion Project	Spokane Health Clinic	2,171
7126	COF Long-Term Restructuring Plan	Long term Campus Re-Structuring Plan	1,180,126
7135	New Deer Park Service Center	Deer Park Service Center	7,040
7200	Apprentice Training	Appren Craft Train	62,984
7201	Jackson Prairie Storage	Jackson Prairie Storage	727,926
7050	Productivity	Productivity Initiative	1,742,944
7060	Strategic Initiatives	Strategic Initiatives	367,090
7127	CNG Fleet Conversion	CNG Fleet Conversion	1,197,209
7129	GridGlo GFX Integration	GridGlo GFX Integration	422,235
		Total Other	**23,331,074**
1006	Substation - Capital Spares	Power Xfmr-Distribution	1,040,036
2000	Substation - Capital Spares	Power Xfmr-Transmission	722,854
2001	Substation - Capital Spares	Power Circuit Breaker	194,166
2051	Storms	Electric Transmission Plant-Storm	3,043,488
2054	Primary URD Cable Replacement	Electric Underground Replacement	737,639
2055	Distribution Minor Rebuild	Electric Distribution Minor Blanket	8,227,139
2056	Elec Replacement/Relocation	Distribution Line Relocations	1,371,057
2057	Transmission - Asset Management	Transmission Minor Rebuild	4,103,971
2058	Spokane Electric Network	Spokane Electric Network Incr Capacity	1,555,388
2059	Storms	Failed Electric Dist Plant-Storm	7,064,710
2060	Distribution Wood Pole Management	Wood Pole Mgmt	9,512,319
2061	Elec Replacement/Relocation	WSDOT Franchise Requirements Construction	3,939
2070	T&D Reimbursable	Trans/Dist/Sub Reimbursable Projects	339,374
2073	Meter Minor Blanket	Elec Meter Replacement Non Revenue	317,678
2204	Substation - Distribution Station Rebuilds	System Wood Substation Rebuilds	406,753
2214	Colstrip Transmission	Colstrip Transmission-PNACI Capital Additions	249,307
2215	Substation - Asset Mgmt. Capital Maintenance	System - Replace High Voltage Breakers	58,099
2217	Substation - 115 kV Line Relay Upgrades	Spokane-CDA 115 kV Line Relay Upgrades	74,204
2251	Spokane Electric Network	Post St-Improvement/Upgrades	336,007
2252	Substation - Asset Mgmt. Capital Maintenance	System - Replace/Install Relays	162,025
2253	Substation - Asset Mgmt. Capital Maintenance	System - Upgrade Meters	74,260
2254	Transmission - Asset Management	System 115kV Air Switch Upgrade	135,493
2260	Substation - Asset Mgmt. Capital Maintenance	System - Upgrade Surge Protection	119,318
2273	Substation - Asset Mgmt. Capital Maintenance	Beacon ST YD-Oil Contain	14
2275	Substation - Asset Mgmt. Capital Maintenance	System - Rock/Fence Restore	21,385
2276	Distribution Line Protection	Distribution Line Protection	291,871
2277	SCADA - SOO & BUCC	SCADA Upgrade	1,232,388
2278	Substation - Asset Mgmt. Capital Maintenance	System-Replace Obsolete Reclosers	338,375
2283	Substation - Distribution Station Rebuilds	Millwood Sub - Rebuild	(46,960)
2289	Harrington 4 kV Cutover	Harrington Conversion to 13 kV	28,954
2293	Substation - Asset Mgmt. Capital Maintenance	SCADA - Install/Replace	488,148
2294	Substation - Asset Mgmt. Capital Maintenance	System - Batteries	77,767
2301	Tribal Permits and Settlements	Tribal Permits and Settlements	314,732
2306	Substation - Distribution Station Rebuilds	Appleway Sub - Rebuild	11,376
2336	Substation - Asset Mgmt. Capital Maintenance	System - Replace Dist Power Xfmrs	63,762
2341	Substation - Distribution Station Rebuilds	Ninth & Central Sub - Increase Capacity & Rebuild	159
2343	Substation - Asset Mgmt. Capital Maintenance	System - Replace/Install Substation Structures	70,535
2397	Substation - Asset Mgmt. Capital Maintenance	System - Install/Replace Borderline Metering	(34,949)
2414	Worst Feeders	Sys-Dist Reliability-Improve Worst Fdrs	1,906,993
2423	Transmission - Reconductors and Rebuilds	System Transmission:Rebuild Condition	392,534
2425	Substation - Asset Mgmt. Capital Maintenance	System - High Voltage Fuse Upgrades	104,092
2443	Substation - New Distribution Stations	Greenacres 115-13kV Sub - New Construct	477,371
2446	Spokane Valley Transmission Reinforcement	Irvin Sub - New Construction	767,005
2449	Substation - Asset Mgmt. Capital Maintenance	System - Replace Substation Air Switches	454,003
2457	Transmission - Reconductors and Rebuilds	Benton-Othello 115 Recond	2,542,534
2470	Dist Grid Modernization	Dist Grid Modernization	8,683,159

Capital Budget Report			
December 2014 - Actual Spend			
Er	**Business Case Description**	**Er Desc**	**Ytd Actual**
2481	Substation - Asset Mgmt. Capital Maintenance	System-Replace/Install Capacitor Banks	1,422,918
2484	Moscow 230 Sustation Rebuild	Moscow 230 kV Sub - Rebuild 230 kV Yard	2,054,257
2492	Substation - Asset Mgmt. Capital Maintenance	System-Install Autotransformer Diagnostic Monitor	3,123
2493	Substation - Asset Mgmt. Capital Maintenance	System-Replace/Upgrade Voltage Regulators	212,164
2505	Substation - Asset Mgmt. Capital Maintenance	System-Replace Current & Potential Devices	18,896
2514	Segment Reconductor and FDR Tie Program	Distribution - Spokane North & West	1,812,682
2515	Segment Reconductor and FDR Tie Program	Distribution - CdA East & North	840,830
2516	Segment Reconductor and FDR Tie Program	Distribution - Pullman & Lewis Clark	(217)
2522	Substation - Distribution Station Rebuilds	10th & Stewart Dx Int	(121,667)
2529	Spokane Smart Circuit	Spokane Smart Circuit	(56,061)
2530	Smart Grid Demonstration Project	SGDP-Pullman Smart Grid Demonstration Project	420,045
2531	Westside Rebuild	Westside 230 kV Substation - Rebuild	1,927
2532	Noxon Switchyard Rebuild	Noxon 230 kV Substation - Rebuild	4,292,376
2533	Substation - Distribution Station Rebuilds	Pullman Substation Rebuild	(4,482)
2535	Distribution Transformer Change-Out Program	TCOP Related Distribution Rebuilds	3,747,953
2538	Substation - Distribution Station Rebuilds	College & Walnut Substation Yard Expansion	99,294
2545	Thornton 230 kV Switching Station	Thornton 230 kV Switching Station - Construct	1,848
2546	Substation - Distribution Station Rebuilds	Blue Creek 115 kV - Rebuild	1,321,348
2547	Substation - Distribution Station Rebuilds	Lucky Friday 115 kV - Rebuild	(1,830)
2549	Transmission - Reconductors and Rebuilds	Moscow City to North Lewiston 115kV Rebuild Proj	(250,973)
2550	Transmission - Reconductors and Rebuilds	Burke-Thompson A&B 115kV Transmission Rebuld Proj	2,239,224
2552	Spokane Valley Transmission Reinforcement	Opportunity 115 kV Switching Station	1,091,130
2554	Dist Grid Modernization	Feeder Automation Upgrades	3,003
2559	Substation - Distribution Station Rebuilds	Hatwai-Replace Breaker A-113 & Assoc Air Switches	(9,879)
2560	Transmission - NERC High Priority Mitigation	Line Ratings Mitigation Project	1,976,969
2561	Substation - New Distribution Stations	Idaho Forest Group 115kV Substation	117,586
2563	Substation - Distribution Station Rebuilds	Stratford 115kV - Upgrade Bus	3,145,365
2564	Transmission - Reconductors and Rebuilds	Devils Gap-Lind 115kV Transmission Rebuild Proj	1,398,420
2569	Substation - Distribution Station Rebuilds	Gifford 115 kV - Rebuild Substation	7,874
2570	Dist Grid Modernization	Sandpoint Grid Modernization Project	1,454,465
2571	Clearwater Sub Upgrades	Clearwater 115 kV Substation Upgrades	1,183,046
2572	Substation - Distribution Station Rebuilds	Noxon Construction Sub - Minor Rebuild	992,505
2573	Substation - Distribution Station Rebuilds	Little Fall 115 kV Sub - Rebuild	12,960
2574	Transmission - Reconductors and Rebuilds	Chelan-Stratford 115kV - Rbld Columbia River Xing	210,211
2577	Transmission - Reconductors and Rebuilds	Benewah-Moscow 230kV - Structure Replacement	6,070
2579	Transmission - NERC Low Priority Mitigation	Low Priority Ratings Mitigation	1,193,697
2581	Transmission - NERC Medium Priority Mitigation	Medium Priority Ratings Mitigation	1,890,745
2587	Substation - New Distribution Stations	Irvin 115-13 kV Sub - Add Distribution Station	111,505
2589	Substation - New Distribution Stations	Mobile Substation - Purchase New Mobile Subs	2,477,536
2590	Substation - Distribution Station Rebuilds	Deer Park 115 kV Substation - Minor Rebuild	185,488
2591	Substation - Distribution Station Rebuilds	Davenport 115 kV Substation - Minor Rebuild	13,285
2592	Substation - Distribution Station Rebuilds	Sprague 115 kV Substation - Minor Rebuild	2,833
3291	Smart Grid Demonstration Project	Install Gas AMI for Pullman Smart Grid	12,106
7205	Smart Grid Workforce Training Grant - DOE	Smart Grid Workforce Training	30,728
		Total T&D	**93,595,773**
		Sum	**351,553,982**
			CWIP Summary

Capital Budget Report
2015 - Budgeted Spend

Er	Business Case Description	Er Desc	Annual Budget
6000	Environmental Compliance	PCB Identification & Disposal	150,000
6001	Hydro Safety Minor Blanket	Hydro Generation Minor Blanket	70,001
6002	Environmental Compliance	Environmental Compliance Blanket	250,000
6101	Environmental Compliance	Forest Srvc Rqmts	100,000
6100	Clark Fork Settlement Agreement	Clark Fork License/Compliance	100,001
6103	Clark Fork Settlement Agreement	Clark Fork Implement PME Agreement	9,851,213
6107	Spokane River License Implementation	Spokane River Implementation (PM&E)	11,327,901
		Total Environmental	**21,849,116**
3000	Gas Reinforcement Program	Gas Reinforce-Minor Blanket	1,000,002
3001	Gas Deteriorated Steel Pipe Replacement Program	Replace Deteriorating Gas System	1,000,002
3002	Gas Regulator Stn Replacement Program	Regulator Reliable - Blanket	800,002
3003	Gas Replacement Street and Highway Program	Gas Replace-St&Hwy	4,500,010
3004	Gas Cathodic Protection Program	Cathodic Protection-Minor Blanket	950,003
3005	Gas Non-Revenue Program	Gas Distribution Non-Revenue Blanket	6,000,012
3006	Gas Overbuilt Pipe Replacement Program	Starting in 2012, the CWIP balance began to grow, mainly c	900,004
3007	Gas Isolated Steel Replacement Program	Isolated Steel Replacement	3,450,001
3008	Aldyl A Replacement	Aldyl -A Pipe Replacement	16,817,430
3054	Gas ERT Replacement Program	Gas ERT Replacement Program	401,895
3055	Gas PMC Program	Gas Meter Replacement Non Revenue	1,030,004
3117	Gas Telemetry Program	Gas Telemetry	400,001
3203	Gas East Medford HP Main Reinforcement Project	East Medford Reinforcement	4,999,908
3301	Gas Rathdrum Prairie HP Main Reinforcement Project	Rathdrum Prairie HP Gas Reinforcement	99,964
3305	Gas Spokane St Bridge IP Main Project	Spokane St Bridge Gas Main	999,999
3306	Gas Goldendale HP Main Reinforcement Project	Goldendale HP	3,504,912
3307	Bonanza Gate Stn Move	Bonanza Gate Stn Move	600,486
		Total Gas	**47,454,635**
4108	Generation Battery Replacement	System Battery Replacement	250,001
4116	Colstrip Thermal Capital	Colstrip Capital Additions	4,121,102
4140	Nine Mile Rehab	Nine Mile Redevelopment	23,076,917
4142	CS2 LTSA Capital Add	CS2 LTSA Capital Add	740,001
4147	Base Load Hydro	Base Hydro	1,149,001
4148	Regulating Hydro	Regulating Hydro	3,533,000
4149	Base Load Thermal Plant	Base Load Thermal	2,200,002
4150	Peaking Generation	Peaking Generation	500,002
4152	Little Falls Plant Upgrade	Little Falls Powerhouse Redevelopment	8,800,015
4161	Cabinet Gorge Unit 1 Refurbishment	Cabinet Gorge HED U#1 Refurbishment	4,900,001
4162	Post Falls South Channel Replacement	Post Falls S Channel Gate Replacement	1,570,002
4163	Cabinet Gorge Automation Replacement	Cabinet Gorge HED Automation Replacement	500,000
4164	Long Lake Plant Upgrades	Long Lake Plant Upgrades	190,001
4169	Long Lake Replace Field Windings	Long Lake HED Replace Field Windings	1,572,001
4171	Noxon Station Service	Noxon Station Service	343,229
		Total Generation	**53,445,275**
1000	New Revenue - Growth	Electric Revenue Blanket	13,010,109
1001	New Revenue - Growth	Gas Revenue Blanket	13,343,413
1002	New Revenue - Growth	Electric Meters Minor Blanket	550,000
1003	New Revenue - Growth	Distribution Line Transformers	6,500,400
1004	New Revenue - Growth	Street Lt Minor Blanket	700,013
1005	New Revenue - Growth	Area Light Minor Blanket	600,010
1009	New Revenue - Growth	Network Transformers & Network Protectors	920,000
1050	New Revenue - Growth	Gas Meters Minor Blanket	1,880,300
1051	New Revenue - Growth	Gas Regulators Minor Blanket	329,584
1053	New Revenue - Growth	Gas ERT Minor Blanket	678,333
		Total Growth	**38,512,162**
5005	Technology Refresh to Sustain Business Process	Information Technology Refresh Program	16,094,833
5006	Technology Expansion to Enable Business Process	Information Technology Expansion Program	5,799,089
5010	Enterprise Business Continuity Plan	Enterprise Business Continuity	450,000
5014	Enterprise Security	Security Systems	3,200,009
5106	Next Generation Radio Refresh	Next Generation Radio System	458,026
5121	Microwave Refresh	Microwave Replacement with Fiber	2,276,679
5138	CSS Replacement	Customer Information System (CIS) Replacement	19,313,778
5142	High Voltage Protection for Substations	High Voltage Protection Upgrade	419,028
5143	AvistaUtilities.com and AvaNet Redesign	AU.com AVANet Redevelopment	4,000,000
5144	Mobility in the Field	Mobility in the Field	420,000
5147	AFM COTS Migration	AFM COTS Migration	4,602,024
		Total ET	**57,033,466**
7000	Fleet Budget	Transportation Equip	7,700,001

Capital Budget Report
2015 - Budgeted Spend

Er	Business Case Description	Er Desc	Annual Budget
7001	Structures and Improvements/Furniture	Structures & Improv	3,400,001
7003	Structures and Improvements/Furniture	Office Furniture	1,200,001
7005	Capital Tools & Stores Equipment	Stores Equip	648,325
7006	Capital Tools & Stores Equipment	Tools Lab & Shop Equipment	1,700,000
7101	HVAC Renovation Project	COF HVAC Improvmt	5,750,001
7108	Franchising for WSDOT	WSDOT Highway Franchise Consolidation	427,376
7126	COF Long-Term Restructuring Plan	Long term Campus Re-Structuring Plan	7,500,001
7131	COF LngTrm Restruct Ph2	COF Long Term Restructuring Plan Phase 2	2,000,001
7132	Dollar Rd Service Center Addition and Remodel	Dollar Rd Service Center Addition and Remodel	2,000,001
7135	New Deer Park Service Center	Deer Park Service Center	2,750,003
7137	Sandpoint Renovation	Sandpoint Service Center	500,000
7200	Apprentice Training	Appren Craft Train	60,001
7201	Jackson Prairie Storage	Jackson Prairie Storage	1,356,300
		Unallocated Budget	471,988
		Total Other	**37,464,000**
1006	Substation - Capital Spares	Power Xfmr-Distribution	1,200,000
2000	Substation - Capital Spares	Power Xfmr-Transmission	4,000,000
2001	Substation - Capital Spares	Power Circuit Breaker	800,000
2051	Storms	Electric Transmission Plant-Storm	1,000,002
2054	Primary URD Cable Replacement	Electric Underground Replacement	1,000,004
2055	Distribution Minor Rebuild	Electric Distribution Minor Blanket	8,300,018
2056	Elec Replacement/Relocation	Distribution Line Relocations	2,400,011
2057	Transmission - Asset Management	Transmission Minor Rebuild	1,489,457
2058	Spokane Electric Network	Spokane Electric Network Incr Capacity	1,800,316
2059	Storms	Failed Electric Dist Plant-Storm	2,000,010
2060	Distribution Wood Pole Management	Wood Pole Mgmt	11,000,009
2073	Meter Minor Blanket	Elec Meter Replacement Non Revenue	299,998
2204	Substation - Distribution Station Rebuilds	System Wood Substation Rebuilds	555,312
2214	Colstrip Transmission	Colstrip Transmission-PNACI Capital Additions	491,435
2215	Substation - Asset Mgmt. Capital Maintenance	System - Replace High Voltage Breakers	400,000
2217	Substation - 115 kV Line Relay Upgrades	Spokane-CDA 115 kV Line Relay Upgrades	1,000,001
2237	Spokane Electric Network	Metro FDR Upgrade	499,997
2252	Substation - Asset Mgmt. Capital Maintenance	System - Replace/Install Relays	350,000
2253	Substation - Asset Mgmt. Capital Maintenance	System - Upgrade Meters	50,001
2254	Transmission - Asset Management	System 115kV Air Switch Upgrade	220,001
2275	Substation - Asset Mgmt. Capital Maintenance	System - Rock/Fence Restore	100,001
2276	Distribution Line Protection	Distribution Line Protection	125,001
2277	SCADA - SOO & BUCC	SCADA Upgrade	1,020,000
2278	Substation - Asset Mgmt. Capital Maintenance	System-Replace Obsolete Reclosers	407,720
2280	Substation - Asset Mgmt. Capital Maintenance	System - Replace Obsolete Circuit Switchers	50,001
2289	Harrington 4 kV Cutover	Harrington Conversion to 13 kV	2,000,066
2293	Substation - Asset Mgmt. Capital Maintenance	SCADA - Install/Replace	200,000
2294	Substation - Asset Mgmt. Capital Maintenance	System - Batteries	150,002
2301	Tribal Permits and Settlements	Tribal Permits and Settlements	1,429,782
2310	Transmission - Reconductors and Rebuilds	West Plains Transmission Reinforce	25,002
2336	Substation - Asset Mgmt. Capital Maintenance	System - Replace Dist Power Xfmrs	300,001
2341	Substation - Distribution Station Rebuilds	Ninth & Central Sub - Increase Capacity & Rebuild	1,250,000
2414	Worst Feeders	Sys-Dist Reliability-Improve Worst Fdrs	1,999,194
2423	Transmission - Reconductors and Rebuilds	System Transmission:Rebuild Condition	2,500,001
2425	Substation - Asset Mgmt. Capital Maintenance	System - High Voltage Fuse Upgrades	100,001
2443	Substation - New Distribution Stations	Greenacres 115-13kV Sub - New Construct	1,376,137
2446	Spokane Valley Transmission Reinforcement	Irvin Sub - New Construction	2,500,003
2449	Substation - Asset Mgmt. Capital Maintenance	System - Replace Substation Air Switches	200,001
2457	Transmission - Reconductors and Rebuilds	Benton-Othello 115 Recond	3,600,001
2470	Dist Grid Modernization	Dist Grid Modernization	10,845,013
2474	Spokane Valley Transmission Reinforcement	Beacon-Boulder #2 115: Capacity Upgrade	25,002
2481	Substation - Asset Mgmt. Capital Maintenance	System-Replace/Install Capacitor Banks	1,400,001
2492	Substation - Asset Mgmt. Capital Maintenance	System-Install Autotransformer Diagnostic Monitor	50,001
2493	Substation - Asset Mgmt. Capital Maintenance	System-Replace/Upgrade Voltage Regulators	350,000
2514	Segment Reconductor and FDR Tie Program	Distribution - Spokane North & West	2,121,040
2515	Segment Reconductor and FDR Tie Program	Distribution - CdA East & North	814,269
2516	Segment Reconductor and FDR Tie Program	Distribution - Pullman & Lewis Clark	799,205
2531	Westside Rebuild	Westside 230 kV Substation - Rebuild	750,001
2532	Noxon Switchyard Rebuild	Noxon 230 kV Substation - Rebuild	7,300,002
2535	Distribution Transformer Change-Out Program	TCOP Related Distribution Rebuilds	4,700,001
2552	Spokane Valley Transmission Reinforcement	Opportunity 115 kV Switching Station	1,850,000

Capital Budget Report
2015 - Budgeted Spend

Er	Business Case Description	Er Desc	Annual Budget
2557	Transmission - Reconductors and Rebuilds	9CE-Sunset 115kV Transmission Line: Rebuild	25,002
2564	Transmission - Reconductors and Rebuilds	Devils Gap-Lind 115kV Transmission Rebuild Proj	3,947,146
2569	Substation - Distribution Station Rebuilds	Gifford 115 kV - Rebuild Substation	1,199,294
2570	Dist Grid Modernization	Sandpoint Grid Modernization Project	75,001
2571	Clearwater Sub Upgrades	Clearwater 115 kV Substation Upgrades	500,001
2573	Substation - Distribution Station Rebuilds	Little Fall 115 kV Sub - Rebuild	775,003
2577	Transmission - Reconductors and Rebuilds	Benewah-Moscow 230kV - Structure Replacement	7,815,804
2579	Transmission - NERC Low Priority Mitigation	Low Priority Ratings Mitigation	500,002
2580	S Region Voltage Control	South Region Transmission Voltage Control	900,001
2581	Transmission - NERC Medium Priority Mitigation	Medium Priority Ratings Mitigation	3,294,001
2584	Street Light Management	Street Light Conversion to LED Fixtures	1,500,007
2586	Washington AMI	Washington AMI	10,000,013
2590	Substation - Distribution Station Rebuilds	Deer Park 115 kV Substation - Minor Rebuild	829,704
		Total T&D	**120,555,000**
		Sum	**376,313,654**

CWIP Summary

2013 TRANSFERS TO PLANT -ACTUAL						
Attachment 2.4						
Sum of Current Activity Cost SUM						
Depreciation category	Asset Service	Jurisdiction	Business Case	Erval	Er desc	Grand Total
Elec Distribution 360-373	CD	AA	Environmental Compliance	6000	PCB Identification & Disposal	7,946
		AA Total				7,946
	ED	AN	Elec Replacement/Relocation	2056	Distribution Line Relocations	17,297
			Substation - Asset Mgmt. Capital Maintenance	2253	System - Upgrade Meters	38,217
				2275	System - Rock/Fence Restore	10
				2293	SCADA - Install/Replace	22,035
				2336	System - Replace Dist Power Xfmrs	64,682
				2343	System - Replace/Install Substation Structures	207,701
				2425	System - High Voltage Fuse Upgrades	85,021
			Substation - Distribution Station Rebuilds	2204	System Wood Substation Rebuilds	37,330
				2283	Millwood Sub - Rebuild	62,132
				2306	Appleway Sub - Rebuild	526,057
				2522	10th & Stewart Dx Int	374,440
		Startin	Transmission - Reconductors and Rebuilds	2423	System Transmission:Rebuild Condition	43,818
				2549	Moscow City to North Lewiston 115kV Rebuild Proj	6,447,156
		AN Total				7,925,896
		ID	Dist Grid Modernization	2470	Dist Grid Modernization	1,595,824
			Distribution Minor Rebuild	2055	Electric Distribution Minor Blanket	3,339,616
			Distribution Transformer Change-Out Program	2535	TCOP Related Distribution Rebuilds	880,562
			Distribution Wood Pole Management	2060	Wood Pole Mgmt	1,553,559
			Elec Replacement/Relocation	2056	Distribution Line Relocations	901,414
			New Revenue - Growth	1000	Electric Revenue Blanket	4,388,741
				1002	Electric Meters Minor Blanket	16,793
				1003	Distribution Line Transformers	1,436,054
				1004	Street Lt Minor Blanket	309,287
				1005	Area Light Minor Blanket	272,403
				1106	Lucky Friday 115 kV Rebuild for Load Growth	1,306,120
			Primary URD Cable Replacement	2054	Electric Underground Replacement	654,721
			Segment Reconductor and FDR Tie Program	2515	Distribution - CdA East & North	1,031,149
				2516	Distribution - Pullman & Lewis Clark	735,822
			Storms	2059	Failed Electric Dist Plant-Storm	850,925
			Substation - Asset Mgmt. Capital Maintenance	2275	System - Rock/Fence Restore	110,362
				2278	System-Replace Obsolete Reclosers	290
				2293	SCADA - Install/Replace	3,181
				2397	System - Install/Replace Borderline Metering	-
				2493	System-Replace/Upgrade Voltage Regulators	40,535
			Substation - Capital Spares	1006	Power Xfmr-Distribution	451,560

			Substation - Distribution Station Rebuilds	2204	System Wood Substation Rebuilds	4,000
			Transmission - Reconductors and Rebuilds	2423	System Transmission:Rebuild Condition	4,200
			Worst Feeders	2414	Sys-Dist Reliability-Improve Worst Fdrs	1,148,977
		ID Total				21,036,097
		MT	Distribution Minor Rebuild	2055	Electric Distribution Minor Blanket	6,774
			Substation - Asset Mgmt. Capital Maintenance	2336	System - Replace Dist Power Xfmrs	99,575
		MT Total				106,348
		WA	Dist Grid Modernization	2470	Dist Grid Modernization	4,205,922
				2554	Feeder Automation Upgrades	206,394
			Distribution Line Protection	2276	Distribution Line Protection	228,939
			Distribution Minor Rebuild	2055	Electric Distribution Minor Blanket	6,157,138
			Distribution Transformer Change-Out Program	2535	TCOP Related Distribution Rebuilds	1,732,207
			Distribution Wood Pole Management	2060	Wood Pole Mgmt	8,734,877
			Elec Replacement/Relocation	2056	Distribution Line Relocations	839,554
				2061	WSDOT Franchise Requirements Construction	116,186
			New Revenue - Growth	1000	Electric Revenue Blanket	8,565,362
				1002	Electric Meters Minor Blanket	593,647
				1003	Distribution Line Transformers	5,135,978
				1004	Street Lt Minor Blanket	641,147
				1005	Area Light Minor Blanket	305,103
				1009	Network Transformers & Network Protectors	1,365,763
			Primary URD Cable Replacement	2054	Electric Underground Replacement	312,596
			Segment Reconductor and FDR Tie Program	2514	Distribution - Spokane North & West	1,427,828
			Smart Grid Demonstration Project	2530	SGDP-Pullman Smart Grid Demonstration Project	(300,327)
			Spokane Electric Network	2058	Spokane Electric Network Incr Capacity	1,746,642
				2251	Post St-Improvement/Upgrades	432,361
			Spokane Smart Circuit	2529	Spokane Smart Circuit	1,938,252
			Spokane Valley Transmission Reinforcement	2526	Opportunity 12F2 Cx Fdr	320,127
			Storms	2059	Failed Electric Dist Plant-Storm	1,901,063
			Substation - Asset Mgmt. Capital Maintenance	2278	System-Replace Obsolete Reclosers	135,662
				2293	SCADA - Install/Replace	20,897
				2336	System - Replace Dist Power Xfmrs	18
				2397	System - Install/Replace Borderline Metering	17,849
				2493	System-Replace/Upgrade Voltage Regulators	207,555
			Substation - Capital Spares	1006	Power Xfmr-Distribution	3,027,219
			Substation - Distribution Station Rebuilds	2204	System Wood Substation Rebuilds	14,110
				2283	Millwood Sub - Rebuild	698,094
				2533	Pullman Substation Rebuild	19,582
			Substation - New Distribution Stations	2443	Greenacres 115-13kV Sub - New Construct	323,039
			Worst Feeders	2414	Sys-Dist Reliability-Improve Worst Fdrs	19,490
		WA Total				51,090,273
Elec Distribution 360-373 Total						**80,166,560**

Elec Transmission 350-359	ED	AN	Colstrip Transmission	2214	Colstrip Transmission-PNACI Capital Additions	418,080
			Environmental Compliance	6101	Forest Srvc Rqmts	197,646
			Moscow 230 Sustation Rebuild	2484	Moscow 230 kV Sub - Rebuild 230 kV Yard	6,688,128
			Productivity	7050	Productivity Initiative	542,284
			Spokane Valley Transmission Reinforcement	2446	Irvin Sub - New Construction	750,883
			Storms	2051	Electric Transmission Plant-Storm	1,844,232
			Substation - 115 kV Line Relay Upgrades	2217	Spokane-CDA 115 kV Line Relay Upgrades	55,857
			Substation - Asset Mgmt. Capital Maintenance	2215	System - Replace High Voltage Breakers	79,448
				2252	System - Replace/Install Relays	1,429,523
				2294	System - Batteries	1,518
				2449	System - Replace Substation Air Switches	152,250
				2481	System-Replace/Install Capacitor Banks	20,267
				2492	System-Install Autotransformer Diagnostic Monitor	27,945
			Substation - Capital Spares	2001	Power Circuit Breaker	1,595,683
			Substation - Distribution Station Rebuilds	2342	Pine Creek 230 Sub-Rebuild Dist/Replace Cap Bank	45,881
				2390	Otis Orchards 115-Replace PCBs & Relays	475
				2559	Hatwai-Replace Breaker A-113 & Assoc Air Switches	5,608
			T&D Reimbursable	2070	Trans/Dist/Sub Reimbursable Projects	13,296
			Thornton 230 kV Switching Station	2545	Thornton 230 kV Switching Station - Construct	17,913
			Transmission - Asset Management	2057	Transmission Minor Rebuild	684,766
				2254	System 115kV Air Switch Upgrade	107,588
			Transmission - NERC High Priority Mitigation	2560	Line Ratings Mitigation Project	1,137,814
			Transmission - NOX-HOT #2 230kV Reroute	2553	Noxon - Hot Springs #2 230kV Reroute	948
			Transmission - Reconductors and Rebuilds	2550	Burke-Thompson A&B 115kV Transmission Rebuld Proj	2,190,649
			Tribal Permits and Settlements	2301	Tribal Permits and Settlements	256,509
			Westside Rebuild Phase One	2531	Westside 230 kV Substation - Rebuild	69,978
		AN Total				18,335,171
		ID	Environmental Compliance	6101	Forest Srvc Rqmts	80,213
			Substation - Asset Mgmt. Capital Maintenance	2294	System - Batteries	15,181
				2449	System - Replace Substation Air Switches	10,521
				2505	System-Replace Current & Potential Devices	3,182
			Substation - Distribution Station Rebuilds	2342	Pine Creek 230 Sub-Rebuild Dist/Replace Cap Bank	1,426
			Tribal Permits and Settlements	2301	Tribal Permits and Settlements	119,556
		ID Total				230,079
		WA	Substation - 115 kV Line Relay Upgrades	2217	Spokane-CDA 115 kV Line Relay Upgrades	6,170
			Substation - Asset Mgmt. Capital Maintenance	2252	System - Replace/Install Relays	43,162
				2449	System - Replace Substation Air Switches	75,129
				2481	System-Replace/Install Capacitor Banks	686

				2505	System-Replace Current & Potential Devices	21
			T&D Reimbursable	2070	Trans/Dist/Sub Reimbursable Projects	-
			Thornton 230 kV Switching Station	2545	Thornton 230 kV Switching Station - Construct	14,291
			Transmission - Reconductors and Rebuilds	2310	West Plains Transmission Reinforce	413
			Tribal Permits and Settlements	2301	Tribal Permits and Settlements	92,447
		WA Total				232,319
Elec Transmission 350-359 Total						**18,797,569**
Gas Distribution 374-387	GD	AN	Gas Telemetry Program	3117	Gas Telemetry	93,419
		AN Total				93,419
		ID	Aldyl A Replacement	3008	Aldyl -A Pipe Replacement	675,766
			Completed	3297	Hwy 95 Relocation and Replacement w/ 6" PE	164,367
			Gas Cathodic Protection Program	3004	Cathodic Protection-Minor Blanket	236,000
			Gas Isolated Steel Replacement Program	3007	Isolated Steel Replacement	132,780
			Gas Non-Revenue Program	3005	Gas Distribution Non-Revenue Blanket	1,806,759
			Gas Regulator Stn Replacement Program	3002	Regulator Reliable - Blanket	259,673
			Gas Replacement Street and Highway Program	3003	Gas Replace-St&Hwy	388,803
			Gas Telemetry Program	3117	Gas Telemetry	6,413
			New Revenue - Growth	1001	Gas Revenue Blanket	3,371,435
				1053	Gas ERT Minor Blanket	626
			Old Hwy 95 Relocation	3298	Old Hwy 95 Relocation	12,295
		ID Total				7,054,918
		OR	Aldyl A Replacement	3008	Aldyl -A Pipe Replacement	5,073,838
			Completed	3293	Klamath Falls Lateral	2,656,665
				3299	Tri City, OR Easement & 6" HP Relocation	1,806
			Gas Cathodic Protection Program	3004	Cathodic Protection-Minor Blanket	73,390
			Gas Deteriorated Steel Pipe Replacement Program	3001	Replace Deteriorating Gas System	804,043
			Gas East Medford HP Main Reinforcement Project	3203	East Medford Reinforcement	689,040
			Gas Isolated Steel Replacement Program	3007	Isolated Steel Replacement	396,328
			Gas Non-Revenue Program	3005	Gas Distribution Non-Revenue Blanket	4,893,082
			Gas Overbuilt Pipe Replacement Program	3006	Overbuilt Pipe Replacement Blanket	640,202
			Gas Regulator Stn Replacement Program	3002	Regulator Reliable - Blanket	184,417
			Gas Reinforcement Program	3000	Gas Reinforce-Minor Blanket	4,563
			Gas Replacement Street and Highway Program	3003	Gas Replace-St&Hwy	2,755,198
				3302	HWY 62 - HP & IP Main Relocation & SSFT #1316	1,039,573
			Gas Telemetry Program	3117	Gas Telemetry	15,854
			New Revenue - Growth	1001	Gas Revenue Blanket	4,674,321
				1050	Gas Meters Minor Blanket	736,599
				1051	Gas Regulators Minor Blanket	89,376
				1053	Gas ERT Minor Blanket	22,178
			#N/A	3300	Reinforce-Pierce Rd, La Grande	(11,226)
		OR Total				24,739,248
		WA	Aldyl A Replacement	3008	Aldyl -A Pipe Replacement	11,940,656
			Gas Cathodic Protection Program	3004	Cathodic Protection-Minor Blanket	521,450
			Gas Isolated Steel Replacement Program	3007	Isolated Steel Replacement	1,737,392

			Gas Non-Revenue Program	3005	Gas Distribution Non-Revenue Blanket	3,912,499
			Gas Overbuilt Pipe Replacement Program	3006	Overbuilt Pipe Replacement Blanket	52,497
			Gas Regulator Stn Replacement Program	3002	Regulator Reliable - Blanket	127,989
			Gas Reinforcement Program	3000	Gas Reinforce-Minor Blanket	1,153,569
				3268	Reinforcement Appleway Bridge Crossing, Lib Lk, WA	471,183
			Gas Replacement Street and Highway Program	3003	Gas Replace-St&Hwy	920,493
			Gas Telemetry Program	3117	Gas Telemetry	10,488
			New Revenue - Growth	1001	Gas Revenue Blanket	7,301,418
				1050	Gas Meters Minor Blanket	1,161,573
				1051	Gas Regulators Minor Blanket	326,272
				1053	Gas ERT Minor Blanket	866,377
			Smart Grid Demonstration Project	3291	Install Gas AMI for Pullman Smart Grid	26,480
		WA Total				30,530,335
Gas Distribution 374-387 Total						**62,417,919**
Gas Underground Storage 350-357	GD	AN	Jackson Prairie Storage	7201	Jackson Prairie Storage	403,539
		AN Total				403,539
		OR	Jackson Prairie Storage	7201	Jackson Prairie Storage	43,101
		OR Total				43,101
Gas Underground Storage 350-357 Total						**446,639**
General 389-391 / 393-395 / 397-398	CD	AA	Capital Tools & Stores Equipment	7002	Office Mach & Equiq	174,061
				7006	Tools Lab & Shop Equipment	329,327
			COF Long-Term Restructuring Plan	7126	Long term Campus Re-Structuring Plan	10,111,250
			Completed	4160	GPSS Electric Shp 5Ton Crane Replacement	85,306
			Dollar Rd Service Center Addition and Remodel	7107	Dollar Road Land Purchase and Facility Expansion	176,412
			Enterprise Security	5014	Security Systems	2,002,533
			HVAC Renovation Project	7101	COF HVAC Improvmt	6,411,556
			Next Generation Radio Refresh	5106	Next Generation Radio System	3,344,494
			Productivity	7050	Productivity Initiative	36,621
			SCADA - SOO & BUCC	2277	SCADA Upgrade	12
			Structures and Improvements/Furniture	7001	Structures & Improv	659,195
				7003	Office Furniture	788,838
			Technology Expansion to Enable Business Process	5006	Information Technology Expansion Program	123,899
		AA Total				24,243,505
		AN	Capital Tools & Stores Equipment	7005	Stores Equip	390,657
			Dollar Rd Service Center Addition and Remodel	7107	Dollar Road Land Purchase and Facility Expansion	3,918,863
			Enterprise Security	5002	Security Initiative	-
				5014	Security Systems	7,145
			Structures and Improvements/Furniture	7001	Structures & Improv	526,658
			Technology Expansion to Enable Business Process	5006	Information Technology Expansion Program	167,344
		AN Total				5,010,667
		ID	Structures and Improvements/Furniture	7001	Structures & Improv	141,535
			Technology Expansion to Enable Business Process	5006	Information Technology Expansion Program	297
		ID Total				141,832
		WA	Capital Tools & Stores Equipment	7005	Stores Equip	2,731
			Structures and Improvements/Furniture	7001	Structures & Improv	458,443
				7003	Office Furniture	4,986

			Technology Expansion to Enable Business Process	5006	Information Technology Expansion Program	26,653
		WA Total				492,812
	ED	AN	Capital Tools & Stores Equipment	7006	Tools Lab & Shop Equipment	66,338
			Enterprise Security	5014	Security Systems	201,884
			High Voltage Protection for Substations	5142	High Voltage Protection Upgrade	428,997
			Microwave Refresh	5121	Microwave Replacement with Fiber	1,681,527
			Productivity	7050	Productivity Initiative	4,440,393
			RTCCS Refresh	5119	Moducom Replacement (RTCCS)	340,868
			SCADA - SOO & BUCC	2277	SCADA Upgrade	142,406
			Technology Expansion to Enable Business Process	5006	Information Technology Expansion Program	14
			#N/A	2103	WoH Telecom	-
		AN Total				7,302,427
		ID	High Voltage Protection for Substations	5142	High Voltage Protection Upgrade	369,916
			Structures and Improvements/Furniture	7001	Structures & Improv	43,163
		ID Total				413,080
		WA	High Voltage Protection for Substations	5142	High Voltage Protection Upgrade	189,113
			Microwave Refresh	5121	Microwave Replacement with Fiber	16,990
			Smart Grid Workforce Training Grant - DOE	7205	Smart Grid Workforce Training	440,814
			Structures and Improvements/Furniture	7001	Structures & Improv	472,354
		WA Total				1,119,270
	GD	AA	Capital Tools & Stores Equipment	7006	Tools Lab & Shop Equipment	49,758
		AA Total				49,758
		OR	Enterprise Security	5014	Security Systems	25,496
			Structures and Improvements/Furniture	7001	Structures & Improv	139,763
		OR Total				165,259
		WA	Structures and Improvements/Furniture	7001	Structures & Improv	272,852
			Technology Expansion to Enable Business Process	5006	Information Technology Expansion Program	1,579
		WA Total				274,431
General 389-391 / 393-395 / 397-398 Total						**39,213,042**
Hydro 331-336	ED	AN	Base Load Hydro	4147	Base Hydro	504,379
			Clark Fork Settlement Agreement	6100	Clark Fork License/Compliance	122,334
				6103	Clark Fork Implement PME Agreement	1,006,234
			Completed	4153	Post Falls Intake Gate Replacement	5,457,259
			Generation Battery Replacement	4108	System Battery Replacement	132,068
			Hydro Safety Minor Blanket	6001	Hydro Generation Minor Blanket	3,490
			Little Falls Plant Upgrade	4152	Little Falls Powerhouse Redevelopment	3,393,138
			Nine Mile Rehab	4140	Nine Mile Redevelopment	532,720
			Noxon Rapids Turbine Replacement	4139	Noxon Rapids Unit 4 Runner Upgrade	183
			Regulating Hydro	4148	Regulating Hydro	3,365,588
			Spokane River License Implementation	6107	Spokane River Implementation (PM&E)	610,344
		AN Total				15,127,738
		ID	Regulating Hydro	4148	Regulating Hydro	45,811
		ID Total				45,811
Hydro 331-336 Total						**15,173,549**
Other Elec Production / Turbines 340-346	ED	AN	Base Load Thermal Plant	4149	Base Load Thermal	1,821,813

			Coyote Springs LTSA	4142	CS2 LTSA Capital Add	5,075,500
			CS2 Capital Improvements	4132	CS2 Capital Improvements	501
			Peaking Generation	4150	Peaking Generation	821,918
		AN Total				7,719,733
Other Elec Production / Turbines 340-346 Total						**7,719,733**
Software 303	CD	AA	AvistaUtilities.com Redesign	5143	AU.com AVANet Redevelopment	48,281
			CSS Replacement	5138	Customer Information System (CIS) Replacement	10,390,158
			Enterprise Business Continuity Plan	5010	Enterprise Business Continuity	259,795
			Technology Expansion to Enable Business Process	5006	Information Technology Expansion Program	5,349,125
			Technology Refresh to Sustain Business Process	5005	Information Technology Refresh Program	10,829,014
		AA Total				26,876,373
		AN	Technology Expansion to Enable Business Process	5006	Information Technology Expansion Program	29,984
			Technology Refresh to Sustain Business Process	5005	Information Technology Refresh Program	284,791
		AN Total				314,775
		ID	Technology Refresh to Sustain Business Process	5005	Information Technology Refresh Program	67,597
		ID Total				67,597
	ED	AN	Enterprise Business Continuity Plan	5010	Enterprise Business Continuity	23,095
			Technology Expansion to Enable Business Process	5006	Information Technology Expansion Program	405,979
			Technology Refresh to Sustain Business Process	5005	Information Technology Refresh Program	867,426
		AN Total				1,296,500
Software 303 Total						**28,555,244**
Thermal 311-316	ED	AN	Colstrip Thermal Capital	4116	Colstrip Capital Additions	5,690,078
			Completed	4154	Rathdrum CT Upgrade Unit 1 to Mark VI Controller	544,914
				4159	RCT Unit #2 Hot Gas Path Overhaul	220,911
			Kettle Falls Water Supply	4151	Kettle Falls Develop New River Wells	1,508
		AN Total				6,457,410
Thermal 311-316 Total						**6,457,410**
Transportation and Tools 392 / 396	CD	AA	CNG Fleet Conversion	7127	CNG Fleet Conversion	39,956
		AA Total				39,956
		AN	Fleet Budget	7000	Transportation Equip	512,104
		AN Total				512,104
		ID	Fleet Budget	7000	Transportation Equip	168,104
		ID Total				168,104
		WA	Fleet Budget	7000	Transportation Equip	155,800
		WA Total				155,800
	ED	AN	Fleet Budget	7000	Transportation Equip	2,802,141
		AN Total				2,802,141
		ID	Fleet Budget	7000	Transportation Equip	1,381,563
		ID Total				1,381,563
		WA	Fleet Budget	7000	Transportation Equip	5,383,688
			#N/A	7114	Vehicle Portion of Solar Plug In Hybrid Initiative	(520)
		WA Total				5,383,168
	GD	AN	Fleet Budget	7000	Transportation Equip	39,959
		AN Total				39,959
		ID	Fleet Budget	7000	Transportation Equip	209,581
		ID Total				209,581
		OR	CNG Fleet Conversion	7127	CNG Fleet Conversion	232,167
			Fleet Budget	7000	Transportation Equip	530,175
		OR Total				762,342
		WA	CNG Fleet Conversion	7127	CNG Fleet Conversion	888,283
			Fleet Budget	7000	Transportation Equip	1,101,991
		WA Total				1,990,274
Transportation and Tools 392 / 396 Total						**13,444,994**
Grand Total						**272,392,659**
						CWIP Summary

2014 TRANSFERS TO PLANT -ACTUAL						
Attachment 2.5						
Sum of Current Activity Cost SUM						
Depreciation category	Asset Service	Jurisdiction	Business Case	Erval	Er desc	Grand Total
Elec Distribution 360-373	CD	AA	Franchising for WSDOT	7108	WSDOT Highway Franchise Consolidation	3,488
		AA Total				3,488
		WA	Meter Minor Blanket	2073	Elec Meter Replacement Non Revenue	15,736
		WA Total				15,736
	ED	AN	Dist Grid Modernization	2570	Sandpoint Grid Modernization Project	13,911
			Elec Replacement/Relocation	2056	Distribution Line Relocations	193,642
			Lewiston Mill Road Sub	1107	Lewiston Mill Rd. 115 kV Substation - New Sub	754,243
			New Revenue - Growth	1106	Lucky Friday 115 kV Rebuild for Load Growth	361,479
			Productivity	7050	Productivity Initiative	52,487
			Substation - Asset Mgmt. Capital Maintenance	2253	System - Upgrade Meters	110,901
				2293	SCADA - Install/Replace	230,849
				2336	System - Replace Dist Power Xfmrs	147,007
				2343	System - Replace/Install Substation Structures	50,726
		Starting in 2(	Substation - Distribution Station Rebuilds	2204	System Wood Substation Rebuilds	674,698
				2283	Millwood Sub - Rebuild	649,862
				2306	Appleway Sub - Rebuild	11,376
				2522	10th & Stewart Dx Int	(209,434)
				2546	Blue Creek 115 kV - Rebuild	857,074
				2563	Stratford 115kV - Upgrade Bus	3,179,969
				2572	Noxon Construction Sub - Minor Rebuild	304,973
			Transmission - Reconductors and Rebuilds	2423	System Transmission:Rebuild Condition	446
				2549	Moscow City to North Lewiston 115kV Rebuild Proj	(250,973)
		AN Total				7,133,236
		ID	Dist Grid Modernization	2470	Dist Grid Modernization	282,531
				2570	Sandpoint Grid Modernization Project	1,861,999
			Distribution Minor Rebuild	2055	Electric Distribution Minor Blanket	2,587,918
			Distribution Transformer Change-Out Program	2535	TCOP Related Distribution Rebuilds	1,309,775
			Distribution Wood Pole Management	2060	Wood Pole Mgmt	1,973,394
			Elec Replacement/Relocation	2056	Distribution Line Relocations	661,463
			Lewiston Mill Road Sub	1107	Lewiston Mill Rd. 115 kV Substation - New Sub	1,641,330
			Meter Minor Blanket	2073	Elec Meter Replacement Non Revenue	127,006
			New Revenue - Growth	1000	Electric Revenue Blanket	5,089,550
				1002	Electric Meters Minor Blanket	10,189
				1003	Distribution Line Transformers	1,957,241
				1004	Street Lt Minor Blanket	382,857
				1005	Area Light Minor Blanket	117,063
				1106	Lucky Friday 115 kV Rebuild for Load Growth	59,209
			Primary URD Cable Replacement	2054	Electric Underground Replacement	490,511
			Segment Reconductor and FDR Tie Program	2515	Distribution - CdA East & North	866,869
				2516	Distribution - Pullman & Lewis Clark	(7,948)
			Storms	2059	Failed Electric Dist Plant-Storm	1,863,051
			Substation - Asset Mgmt. Capital Maintenance	2275	System - Rock/Fence Restore	591
				2278	System-Replace Obsolete Reclosers	98,687
				2293	SCADA - Install/Replace	155,221
				2343	System - Replace/Install Substation Structures	16,358
				2493	System-Replace/Upgrade Voltage Regulators	114,565
			Substation - Capital Spares	1006	Power Xfmr-Distribution	467,107

			Substation - Distribution Station Rebuilds	2204	System Wood Substation Rebuilds	1,079,601
				2546	Blue Creek 115 kV - Rebuild	1,556,035
				2547	Lucky Friday 115 kV - Rebuild	214,914
				2572	Noxon Construction Sub - Minor Rebuild	27,160
			Transmission - Reconductors and Rebuilds	2423	System Transmission:Rebuild Condition	-
				2549	Moscow City to North Lewiston 115kV Rebuild Proj	-
			Worst Feeders	2414	Sys-Dist Reliability-Improve Worst Fdrs	697,101
		ID Total				25,701,348
		MT	Productivity	7050	Productivity Initiative	24,464
			Substation - Asset Mgmt. Capital Maintenance	2253	System - Upgrade Meters	58,285
				2336	System - Replace Dist Power Xfmrs	(1,393)
			Substation - Distribution Station Rebuilds	2572	Noxon Construction Sub - Minor Rebuild	666,997
		MT Total				748,353
		WA	Dist Grid Modernization	2470	Dist Grid Modernization	5,868,484
				2554	Feeder Automation Upgrades	3,003
			Distribution Line Protection	2276	Distribution Line Protection	290,643
			Distribution Minor Rebuild	2055	Electric Distribution Minor Blanket	5,025,286
			Distribution Transformer Change-Out Program	2535	TCOP Related Distribution Rebuilds	2,110,823
			Distribution Wood Pole Management	2060	Wood Pole Mgmt	6,506,585
			Elec Replacement/Relocation	2056	Distribution Line Relocations	771,518
				2061	WSDOT Franchise Requirements Construction	9,401
			Environmental Compliance	6000	PCB Identification & Disposal	8,923
			Meter Minor Blanket	2073	Elec Meter Replacement Non Revenue	175,676
			New Revenue - Growth	1000	Electric Revenue Blanket	9,998,238
				1002	Electric Meters Minor Blanket	789,349
				1003	Distribution Line Transformers	5,479,957
				1004	Street Lt Minor Blanket	935,486
				1005	Area Light Minor Blanket	328,755
				1009	Network Transformers & Network Protectors	1,068,309
			Primary URD Cable Replacement	2054	Electric Underground Replacement	210,470
			Segment Reconductor and FDR Tie Program	2514	Distribution - Spokane North & West	2,200,430
				2516	Distribution - Pullman & Lewis Clark	78,118
			Smart Grid Demonstration Project	2530	SGDP-Pullman Smart Grid Demonstration Project	3,529,146
			Spokane Electric Network	2058	Spokane Electric Network Incr Capacity	1,375,787
				2251	Post St-Improvement/Upgrades	37,693
			Spokane Smart Circuit	2529	Spokane Smart Circuit	577,930
			Spokane Valley Transmission Reinforcement	2526	Opportunity 12F2 Cx Fdr	-
			Storms	2059	Failed Electric Dist Plant-Storm	5,124,594
			Substation - Asset Mgmt. Capital Maintenance	2278	System-Replace Obsolete Reclosers	10,225
				2293	SCADA - Install/Replace	53,122
				2493	System-Replace/Upgrade Voltage Regulators	301,265
			Substation - Capital Spares	1006	Power Xfmr-Distribution	870,134
			Substation - Distribution Station Rebuilds	2283	Millwood Sub - Rebuild	788,210
			Substation - New Distribution Stations	2443	Greenacres 115-13kV Sub - New Construct	272,873
			Worst Feeders	2414	Sys-Dist Reliability-Improve Worst Fdrs	1,404,131
		WA Total				56,204,564
	GD	WA	New Revenue - Growth	1002	Electric Meters Minor Blanket	-
		WA Total				-
Elec Distribution 360-373 Total						**89,806,724**
Elec Transmission 350-359	ED	AN	Clearwater Sub Upgrades	2571	Clearwater 115 kV Substation Upgrades	2,164,375
			Colstrip Transmission	2214	Colstrip Transmission-PNACI Capital Additions	249,307
			Environmental Compliance	6101	Forest Srvc Rqmts	2,016
			Moscow 230 Sustation Rebuild	2484	Moscow 230 kV Sub - Rebuild 230 kV Yard	6,799,316

		Productivity	7050	Productivity Initiative	5,075,910
		Spokane Valley Transmission Reinforcement	2446	Irvin Sub - New Construction	111,373
		Storms	2051	Electric Transmission Plant-Storm	2,954,082
		Substation - 115 kV Line Relay Upgrades	2217	Spokane-CDA 115 kV Line Relay Upgrades	43,072
		Substation - Asset Mgmt. Capital Maintenance	2215	System - Replace High Voltage Breakers	135,062
			2252	System - Replace/Install Relays	168,894
			2294	System - Batteries	245,965
			2449	System - Replace Substation Air Switches	293,623
			2481	System-Replace/Install Capacitor Banks	2,392,024
			2492	System-Install Autotransformer Diagnostic Monitor	23,796
			2505	System-Replace Current & Potential Devices	50,519
		Substation - Capital Spares	2000	Power Xfmr-Transmission	722,854
			2001	Power Circuit Breaker	194,166
		Substation - Distribution Station Rebuilds	2546	Blue Creek 115 kV - Rebuild	143,063
			2559	Hatwai-Replace Breaker A-113 & Assoc Air Switches	(9,879)
		T&D Reimbursable	2070	Trans/Dist/Sub Reimbursable Projects	30,720
		Thornton 230 kV Switching Station	2545	Thornton 230 kV Switching Station - Construct	1,848
		Transmission - Asset Management	2057	Transmission Minor Rebuild	4,695,836
			2254	System 115kV Air Switch Upgrade	167,392
		Transmission - NERC High Priority Mitigation	2560	Line Ratings Mitigation Project	3,174,042
		Transmission - NERC Low Priority Mitigation	2579	Low Priority Ratings Mitigation	1,097,509
		Transmission - NERC Medium Priority Mitigation	2581	Medium Priority Ratings Mitigation	1,754,639
		Transmission - Reconductors and Rebuilds	2457	Benton-Othello 115 Recond	2,285,424
			2550	Burke-Thompson A&B 115kV Transmission Rebuld Proj	2,238,328
			2564	Devils Gap-Lind 115kV Transmission Rebuild Proj	1,414,434
		Tribal Permits and Settlements	2301	Tribal Permits and Settlements	194,519
		Westside Rebuild	2531	Westside 230 kV Substation - Rebuild	-
	AN Total				38,814,229
	ID	Environmental Compliance	6101	Forest Srvc Rqmts	712
		Moscow 230 Sustation Rebuild	2484	Moscow 230 kV Sub - Rebuild 230 kV Yard	417,650
		Substation - Asset Mgmt. Capital Maintenance	2215	System - Replace High Voltage Breakers	14,208
			2252	System - Replace/Install Relays	1,314
			2449	System - Replace Substation Air Switches	102,895
			2505	System-Replace Current & Potential Devices	165
		Substation - Distribution Station Rebuilds	2546	Blue Creek 115 kV - Rebuild	171,380
		T&D Reimbursable	2070	Trans/Dist/Sub Reimbursable Projects	(1,133)
		Tribal Permits and Settlements	2301	Tribal Permits and Settlements	90,338
	ID Total				797,530
	MT	Substation - Asset Mgmt. Capital Maintenance	2449	System - Replace Substation Air Switches	3,009
	MT Total				3,009
	WA	Moscow 230 Sustation Rebuild	2484	Moscow 230 kV Sub - Rebuild 230 kV Yard	77,126
		Substation - Asset Mgmt. Capital Maintenance	2252	System - Replace/Install Relays	9,083
			2294	System - Batteries	12,855
			2449	System - Replace Substation Air Switches	71,481
			2481	System-Replace/Install Capacitor Banks	229,392
			2505	System-Replace Current & Potential Devices	507
		Tribal Permits and Settlements	2301	Tribal Permits and Settlements	29,874
	WA Total				430,319

Elec Transmission 350-359 Total						**40,045,086**
Gas Distribution 374-387	ED	ID	Gas Chase Rd Gate Stn and HP Main Project	3246	Construct Chase Rd Gate Stn Post Falls ID	18,370
		ID Total				18,370
	GD	AA	Gas Telemetry Program	3117	Gas Telemetry	153,249
		AA Total				153,249
		AN	Gas Regulator Stn Replacement Program	3002	Regulator Reliable - Blanket	127,100
			Gas Telemetry Program	3117	Gas Telemetry	-
		AN Total				127,100
		ID	Aldyl A Replacement	3008	Aldyl -A Pipe Replacement	3,280,744
			Gas Cathodic Protection Program	3004	Cathodic Protection-Minor Blanket	87,039
			Gas Chase Rd Gate Stn and HP Main Project	3246	Construct Chase Rd Gate Stn Post Falls ID	56,052
			Gas Isolated Steel Replacement Program	3007	Isolated Steel Replacement	18,441
			Gas Non-Revenue Program	3005	Gas Distribution Non-Revenue Blanket	614,897
			Gas PMC Program	3055	Gas Meter Replacement Non Revenue	217,209
			Gas Regulator Stn Replacement Program	3002	Regulator Reliable - Blanket	35,195
			Gas Reinforcement Program	3000	Gas Reinforce-Minor Blanket	49,427
			Gas Replacement Street and Highway Program	3003	Gas Replace-St&Hwy	191,026
			Gas Telemetry Program	3117	Gas Telemetry	256,341
			Install Dover Gate Station	3225	Install Dover Gate Station	-
			New Revenue - Growth	1001	Gas Revenue Blanket	3,737,461
			Old Hwy 95 Relocation	3298	Old Hwy 95 Relocation	803
		ID Total				8,544,636
		OR	Aldyl A Replacement	3008	Aldyl -A Pipe Replacement	5,254,289
			Gas Cathodic Protection Program	3004	Cathodic Protection-Minor Blanket	37,125
			Gas Deteriorated Steel Pipe Replacement Program	3001	Replace Deteriorating Gas System	783,487
			Gas Isolated Steel Replacement Program	3007	Isolated Steel Replacement	464,566
			Gas Non-Revenue Program	3005	Gas Distribution Non-Revenue Blanket	4,027,424
			Gas Oakland Bridge HP Main Gas Project	3257	Oakland Bridge Bore & Relocation, Oakland OR	287,289
			Gas Overbuilt Pipe Replacement Program	3006	Overbuilt Pipe Replacement Blanket	733,040
			Gas PMC Program	3055	Gas Meter Replacement Non Revenue	336,615
			Gas Regulator Stn Replacement Program	3002	Regulator Reliable - Blanket	287,250
			Gas Reinforcement Program	3000	Gas Reinforce-Minor Blanket	196,867
			Gas Replacement Street and Highway Program	3003	Gas Replace-St&Hwy	3,567,878
				3302	HWY 62 - HP & IP Main Relocation & SSFT #1316	3,171
			Gas Telemetry Program	3117	Gas Telemetry	430,014
			New Revenue - Growth	1001	Gas Revenue Blanket	3,396,347
				1050	Gas Meters Minor Blanket	787,048
				1051	Gas Regulators Minor Blanket	44,246
				1053	Gas ERT Minor Blanket	10,321
			Reinforce-Pierce Rd, La Grande	3300	Reinforce-Pierce Rd, La Grande	2,587
		OR Total				20,649,565
		WA	Aldyl A Replacement	3008	Aldyl -A Pipe Replacement	8,340,596
			Gas Cathodic Protection Program	3004	Cathodic Protection-Minor Blanket	663,271
			Gas Deteriorated Steel Pipe Replacement Program	3001	Replace Deteriorating Gas System	463,347
			Gas Isolated Steel Replacement Program	3007	Isolated Steel Replacement	1,350,683
			Gas Non-Revenue Program	3005	Gas Distribution Non-Revenue Blanket	1,719,981
			Gas Overbuilt Pipe Replacement Program	3006	Overbuilt Pipe Replacement Blanket	46,029
			Gas PMC Program	3055	Gas Meter Replacement Non Revenue	619,241
			Gas Regulator Stn Replacement Program	3002	Regulator Reliable - Blanket	238,647
			Gas Reinforcement Program	3000	Gas Reinforce-Minor Blanket	775,740
				3268	Reinforcement Appleway Bridge Crossing, Lib Lk, WA	-
			Gas Replacement Street and Highway Program	3003	Gas Replace-St&Hwy	972,010
			Gas Telemetry Program	3117	Gas Telemetry	212,235

			New Revenue - Growth	1001	Gas Revenue Blanket	6,353,360
				1050	Gas Meters Minor Blanket	1,217,397
				1051	Gas Regulators Minor Blanket	280,853
				1053	Gas ERT Minor Blanket	673,716
			Reinforce,Upgrd Reg Stn 15, Separate HP,SpokWA	3263	Reinforce,Upgrd Reg Stn 15, Separate HP,SpokWA	-
			Smart Grid Demonstration Project	3291	Install Gas AMI for Pullman Smart Grid	12,106
		WA Total				23,939,211
Gas Distribution 374-387 Total						**53,432,131**
Gas Underground Storage 350-357	GD	AN	Jackson Prairie Storage	7201	Jackson Prairie Storage	657,681
		AN Total				657,681
		OR	Jackson Prairie Storage	7201	Jackson Prairie Storage	70,245
		OR Total				70,245
Gas Underground Storage 350-357 Total						**727,926**
General 389-391 / 393-395 / 397-398	CD	AA	Capital Tools & Stores Equipment	7002	Office Mach & Equiq	-
				7006	Tools Lab & Shop Equipment	524,187
			Clinic Expansion Project	7120	Spokane Health Clinic	138,545
			COF Long-Term Restructuring Plan	7126	Long term Campus Re-Structuring Plan	982,481
			Dollar Rd Service Center Addition and Remodel	7107	Dollar Road Land Purchase and Facility Expansion	-
			Enterprise Security	5014	Security Systems	869,234
			HVAC Renovation Project	7101	COF HVAC Improvmt	4,947,204
			Next Generation Radio Refresh	5106	Next Generation Radio System	11,483,620
			Productivity	7050	Productivity Initiative	200,317
			SCADA - SOO & BUCC	2277	SCADA Upgrade	485,690
			Structures and Improvements/Furniture	7001	Structures & Improv	2,238,406
				7003	Office Furniture	92,159
			Technology Expansion to Enable Business Process	5006	Information Technology Expansion Program	165,210
		AA Total				22,127,052
		AN	Capital Tools & Stores Equipment	7005	Stores Equip	481,419
			Dollar Rd Service Center Addition and Remodel	7107	Dollar Road Land Purchase and Facility Expansion	1,194
			Structures and Improvements/Furniture	7001	Structures & Improv	45,859
			Technology Expansion to Enable Business Process	5006	Information Technology Expansion Program	-
		AN Total				528,471
		ID	Capital Tools & Stores Equipment	7005	Stores Equip	677
			Structures and Improvements/Furniture	7001	Structures & Improv	42,896
			Technology Expansion to Enable Business Process	5006	Information Technology Expansion Program	46
		ID Total				43,619
		OR	Structures and Improvements/Furniture	7001	Structures & Improv	(483,555)
		OR Total				(483,555)
		WA	Structures and Improvements/Furniture	7001	Structures & Improv	121,410
				7003	Office Furniture	-
		WA Total				121,410
	ED	AN	Capital Tools & Stores Equipment	7006	Tools Lab & Shop Equipment	64,179
			Enterprise Security	5014	Security Systems	514,899
			Environmental Compliance	6002	Environmental Compliance Blanket	41,464
			High Voltage Protection for Substations	5142	High Voltage Protection Upgrade	31,441
			Microwave Refresh	5121	Microwave Replacement with Fiber	1,162,673
			Productivity	7050	Productivity Initiative	1,126,898
			SCADA - SOO & BUCC	2277	SCADA Upgrade	745,065
			Structures and Improvements/Furniture	7001	Structures & Improv	121,475
			Technology Expansion to Enable Business Process	5006	Information Technology Expansion Program	-
		AN Total				3,808,094
		ID	High Voltage Protection for Substations	5142	High Voltage Protection Upgrade	670,155
			Post Falls South Channel Replacement	4162	Post Falls S Channel Gate Replacement	52,969
			Structures and Improvements/Furniture	7001	Structures & Improv	38,069
		ID Total				761,194
		OR	Structures and Improvements/Furniture	7001	Structures & Improv	483,555
		OR Total				483,555

		WA	High Voltage Protection for Substations	5142	High Voltage Protection Upgrade	822,058
			Productivity	7050	Productivity Initiative	85,047
			Smart Grid Workforce Training Grant - DOE	7205	Smart Grid Workforce Training	320,235
			Structures and Improvements/Furniture	7001	Structures & Improv	27,868
		WA Total				1,255,208
	GD	AA	Capital Tools & Stores Equipment	7006	Tools Lab & Shop Equipment	898,575
			Completed	5127	Gas Compliance Applications	-
			SCADA - SOO & BUCC	2277	SCADA Upgrade	189,753
		AA Total				1,088,328
		AN	Capital Tools & Stores Equipment	7006	Tools Lab & Shop Equipment	1,459
		AN Total				1,459
		OR	Structures and Improvements/Furniture	7001	Structures & Improv	172,288
		OR Total				172,288
		WA	Capital Tools & Stores Equipment	7006	Tools Lab & Shop Equipment	943
			Structures and Improvements/Furniture	7001	Structures & Improv	57,414
			Technology Expansion to Enable Business Process	5006	Information Technology Expansion Program	(1,579)
		WA Total				56,779
	ZZ	AA	Structures and Improvements/Furniture	7001	Structures & Improv	580,874
		AA Total				580,874
General 389-391 / 393-395 / 397-398 Total						**30,544,775**
Hydro 331-336	ED	AN	Base Load Hydro	4147	Base Hydro	348,571
			Clark Fork Settlement Agreement	6100	Clark Fork License/Compliance	155,921
				6103	Clark Fork Implement PME Agreement	9,618,157
			Hydro Safety Minor Blanket	6001	Hydro Generation Minor Blanket	4,811
			Little Falls Plant Upgrade	4152	Little Falls Powerhouse Redevelopment	2,252,571
			Nine Mile Rehab	4140	Nine Mile Redevelopment	7,758,322
			Noxon Rapids Turbine Replacement	4139	Noxon Rapids Unit 4 Runner Upgrade	42,986
			Regulating Hydro	4148	Regulating Hydro	2,504,601
			Spokane River License Implementation	6107	Spokane River Implementation (PM&E)	5,502,748
		AN Total				28,188,689
		WA	Base Load Hydro	4147	Base Hydro	29,486
		WA Total				29,486
Hydro 331-336 Total						**28,218,175**
None	ED	AN	#N/A	8000	Accounting Transfer Adjustments	(22,152)
		AN Total				(22,152)
		ID	#N/A	8000	Accounting Transfer Adjustments	-
		ID Total				-
	GD	AN	#N/A	8000	Accounting Transfer Adjustments	(418)
		AN Total				(418)
	ZZ	AN	#N/A	8000	Accounting Transfer Adjustments	14,032
		AN Total				14,032
None Total						**(8,538)**
Other Elec Production / Turbines 340-346	ED	AN	Base Load Thermal Plant	4149	Base Load Thermal	1,366,886
			Peaking Generation	4150	Peaking Generation	85,413
		AN Total				1,452,299
Other Elec Production / Turbines 340-346 Total						**1,452,299**
Software 303	CD	AA	Apprentice Training	7200	Appren Craft Train	36,949
			AvistaUtilities.com and AvaNet Redesign	5143	AU.com AVANet Redevelopment	301,867
			CSS Replacement	5138	Customer Information System (CIS) Replacement	138,886
			Enterprise Business Continuity Plan	5010	Enterprise Business Continuity	266,087
			GridGlo GFX Integration	7129	GridGlo GFX Integration	608,506
			Mobility in the Field	5144	Mobility in the Field	319,525
			Technology Expansion to Enable Business Process	5006	Information Technology Expansion Program	4,294,352
			Technology Refresh to Sustain Business Process	5005	Information Technology Refresh Program	12,157,847
		AA Total				18,124,018
		AN	Technology Expansion to Enable Business Process	5006	Information Technology Expansion Program	-
			Technology Refresh to Sustain Business Process	5005	Information Technology Refresh Program	(2,413)
		AN Total				(2,413)
		ID	Technology Refresh to Sustain Business Process	5005	Information Technology Refresh Program	58,568
		ID Total				58,568

		WA	Technology Refresh to Sustain Business Process	5005	Information Technology Refresh Program	164,634
		WA Total				164,634
	ED	AN	Technology Expansion to Enable Business Process	5006	Information Technology Expansion Program	114,623
			Technology Refresh to Sustain Business Process	5005	Information Technology Refresh Program	676,905
		AN Total				791,528
		WA	Apprentice Training	7200	Appren Craft Train	4,087
			Technology Refresh to Sustain Business Process	5005	Information Technology Refresh Program	62,237
		WA Total				66,324
	GD	AA	CSS Replacement	5138	Customer Information System (CIS) Replacement	123,107
			Enterprise Business Continuity Plan	5010	Enterprise Business Continuity	10,478
			Mobility in the Field	5144	Mobility in the Field	262,027
			Technology Refresh to Sustain Business Process	5005	Information Technology Refresh Program	36,441
		AA Total				432,054
Software 303 Total						**19,634,713**
Thermal 311-316	ED	AN	Colstrip Thermal Capital	4116	Colstrip Capital Additions	6,044,868
				7130	Colstrip Unit 4 Outage due to Generator Failure	532,052
			Kettle Falls Water Supply	4151	Kettle Falls Develop New River Wells	-
			KFGS Ash Collector	4168	KFGS Ash Collector	2,160,083
		AN Total				8,737,003
Thermal 311-316 Total						**8,737,003**
Transportation and Tools 392 / 396	CD	AA	CNG Fleet Conversion	7127	CNG Fleet Conversion	-
			Fleet Budget	7000	Transportation Equip	37,057
		AA Total				37,057
		AN	CNG Fleet Conversion	7127	CNG Fleet Conversion	101,183
			Fleet Budget	7000	Transportation Equip	475,236
		AN Total				576,418
		ID	CNG Fleet Conversion	7127	CNG Fleet Conversion	1,009,822
			Fleet Budget	7000	Transportation Equip	80,760
		ID Total				1,090,582
		WA	CNG Fleet Conversion	7127	CNG Fleet Conversion	65,609
			Fleet Budget	7000	Transportation Equip	82,470
		WA Total				148,079
	ED	AN	Fleet Budget	7000	Transportation Equip	1,562,848
		AN Total				1,562,848
		ID	Fleet Budget	7000	Transportation Equip	855,898
		ID Total				855,898
		WA	CNG Fleet Conversion	7127	CNG Fleet Conversion	185,220
			Fleet Budget	7000	Transportation Equip	1,276,459
		WA Total				1,461,679
	GD	AN	CNG Fleet Conversion	7127	CNG Fleet Conversion	13,273
			Fleet Budget	7000	Transportation Equip	265,694
		AN Total				278,967
		ID	Fleet Budget	7000	Transportation Equip	129,966
		ID Total				129,966
		OR	CNG Fleet Conversion	7127	CNG Fleet Conversion	181,911
			Fleet Budget	7000	Transportation Equip	-
		OR Total				181,911
		WA	CNG Fleet Conversion	7127	CNG Fleet Conversion	121,801
			Fleet Budget	7000	Transportation Equip	606,777
		WA Total				728,578
Transportation and Tools 392 / 396 Total						**7,051,983**
Grand Total						**279,642,278**
						CWIP Summary

Note: The decrease in transfers to plant is due to the delay in project compass. This delay has shifted actual transfers from 2014 to the beginning of 2015.

2015 TRANSFERS TO PLANT -ACTUAL						
Attachment 2.5						
Depreciation category	Asset Service	Jurisdiction	Business Case	Erval	Er desc	Total
Elec Distribution 360-373	AN	CD	Customer Prepay	2585	Customer Prepay	-
		CD Total				-
		ED	Dist Grid Modernization	2470	Dist Grid Modernization	10,925,001
			Distribution Line Protection	2276	Distribution Line Protection	125,000
			Distribution Minor Rebuild	2055	Electric Distribution Minor Blanket	8,300,010
			Distribution Transformer Change-Out Program	2535	TCOP Related Distribution Rebuilds	4,700,000
			Distribution Wood Pole Management	2060	Wood Pole Mgmt	11,000,002
			Elec Replacement/Relocation	2056	Distribution Line Relocations	2,400,003
			Environmental Compliance	6000	PCB Identification & Disposal	150,000
			Meter Minor Blanket	2073	Elec Meter Replacement Non Revenue	299,998
			New Revenue - Growth	1000	Electric Revenue Blanket	13,010,101
				1002	Electric Meters Minor Blanket	550,000
				1003	Distribution Line Transformers	6,500,400
		Starting in 2012, the CWIP balance began to grow, r		1004	Street Lt Minor Blanket	700,001
				1005	Area Light Minor Blanket	600,002
			Primary URD Cable Replacement	2054	Electric Underground Replacement	999,999
			Segment Reconductor and FDR Tie Program	2516	Distribution - Pullman & Lewis Clark	799,196
			Storms	2059	Failed Electric Dist Plant-Storm	2,000,000
			Street Light Management	2584	Street Light Conversion to LED Fixtures	1,500,000
			Substation - Asset Mgmt. Capital Maintenance	2253	System - Upgrade Meters	50,000
				2275	System - Rock/Fence Restore	100,000
				2278	System-Replace Obsolete Reclosers	407,716
				2293	SCADA - Install/Replace	200,000
				2336	System - Replace Dist Power Xfmrs	300,000
				2425	System - High Voltage Fuse Upgrades	100,000
				2493	System-Replace/Upgrade Voltage Regulators	350,000
			Substation - Capital Spares	1006	Power Xfmr-Distribution	1,200,000
			Substation - Distribution Station Rebuilds	2204	System Wood Substation Rebuilds	155,312
			Transmission - Reconductors and Rebuilds	2423	System Transmission:Rebuild Condition	2,500,000
			Worst Feeders	2414	Sys-Dist Reliability-Improve Worst Fdrs	1,999,185
		ED Total				71,921,926
	ID	ED	Dist Grid Modernization	2570	Sandpoint Grid Modernization Project	75,000
			Segment Reconductor and FDR Tie Program	2515	Distribution - CdA East & North	814,261
			Substation - Distribution Station Rebuilds	2502	N. Moscow - Increase Capacity	-
		ED Total				889,261
	WA	ED	Elec Replacement/Relocation	2061	WSDOT Franchise Requirements Construction	-
			Franchising for WSDOT	7108	WSDOT Highway Franchise Consolidation	427,372
			Harrington Upgrades	2289	Harrington Conversion to 13 kV	2,025,060
			New Revenue - Growth	1009	Network Transformers & Network Protectors	920,000
			Segment Reconductor and FDR Tie Program	2514	Distribution - Spokane North & West	2,121,026
			Spokane Electric Network	2058	Spokane Electric Network Incr Capacity	1,800,307
				2237	Metro FDR Upgrade	499,996
			Substation - Distribution Station Rebuilds	2317	Lyons & Standard 115 Sub-Incr Capacity	-
				2566	Northwest 115 kV - Rebuild Substation	-
				2567	Chester 115 kV - Rebuild Substation	-
				2569	Gifford 115 kV - Rebuild Substation	1,207,091
				2590	Deer Park 115 kV Substation - Minor Rebuild	750,000
			Substation - New Distribution Stations	2443	Greenacres 115-13kV Sub - New Construct	2,026,134
		ED Total				11,776,986
Elec Distribution 360-373 Total						**84,588,173**
Elec Transmission 350-359	AN	ED	Clearwater Sub Upgrades	2571	Clearwater 115 kV Substation Upgrades	500,000
			Colstrip Transmission	2214	Colstrip Transmission Capital Additions	491,436
			Environmental Compliance	6101	Forest Srvc Rqmts	100,000
			Noxon Switchyard Rebuild	2532	Noxon 230 kV Substation - Rebuild	8,325,000
			Spokane Valley Transmission Reinforcement	2474	Beacon-Boulder #2 115: Capacity Upgrade	-
			Storms	2051	Electric Transmission Plant-Storm	1,000,000
			Substation - 115 kV Line Relay Upgrades	2217	Spokane-CDA 115 kV Line Relay Upgrades	1,525,000

			Substation - Asset Mgmt. Capital Maintenance	2215	System - Replace High Voltage Breakers	400,000
				2252	System - Replace/Install Relays	350,000
				2280	System - Replace Obsolete Circuit Switchers	50,000
				2294	System - Batteries	150,000
				2449	System - Replace Substation Air Switches	200,000
				2481	System-Replace/Install Capacitor Banks	-
				2492	System-Install Autotransformer Diagnostic Monitor	50,000
			Substation - Capital Spares	2000	Power Xfmr-Transmission	3,100,000
				2001	Power Circuit Breaker	800,000
			Substation - Distribution Station Rebuilds	2573	Little Fall 115 kV Sub - Rebuild	-
			Transmission - Asset Management	2057	Transmission Minor Rebuild	1,489,455
				2254	System 115kV Air Switch Upgrade	220,000
			Transmission - NERC Low Priority Mitigation	2579	Low Priority Ratings Mitigation	500,000
			Transmission - NERC Medium Priority Mitigation	2581	Medium Priority Ratings Mitigation	3,294,000
			Transmission - Reconductors and Rebuilds	2550	Burke-Thompson A&B 115kV Transmission Rebuld Proj	-
				2556	CDA-Pine Creek 115kV Transmission Line: Rebuild	-
				2557	9CE-Sunset 115kV Transmission Line: Rebuild	-
				2564	Devils Gap-Lind 115kV Transmission Rebuild Proj	3,947,144
				2577	Benewah-Moscow 230kV - Structure Replacement	7,815,802
			Tribal Permits and Settlements	2301	Tribal Permits and Settlements	1,429,784
			Westside Rebuild Phase One	2531	Westside 230 kV Substation - Rebuild	-
		ED Total				35,737,621
	ID	ED	S Region Voltage Control	2580	South Region Transmission Voltage Control	-
			Substation - New Distribution Stations	2274	Tamarack 115Kv Sub-Construction	-
		ED Total				-
	WA	ED	Spokane Valley Transmission Reinforcement	2446	Irvin Sub - New Construction	500,000
				2552	Opportunity 115 kV Switching Station	2,399,999
			Substation - Distribution Station Rebuilds	2341	Ninth & Central Sub - Increase Capacity & Rebuild	274,999
			Transmission - Reconductors and Rebuilds	2310	West Plains Transmission Reinforce	-
				2457	Benton-Othello 115 Recond	-
		ED Total				3,174,998
Elec Transmission 350-359 Total						**38,912,619**
Gas Distribution 374-387	AA	GD	Aldyl A Replacement	3008	Aldyl -A Pipe Replacement	16,817,429
			Gas Cathodic Protection Program	3004	Cathodic Protection-Minor Blanket	950,003
			Gas Deteriorated Steel Pipe Replacement Program	3001	Replace Deteriorating Gas System	1,000,000
			Gas ERT Replacement Program	3054	Gas ERT Replacement Program	401,891
			Gas HP Pipeline Remediation Program	3057	Gas HP Pipeline Remediation Program	-
			Gas Isolated Steel Replacement Program	3007	Isolated Steel Replacement	3,450,000
			Gas Non-Revenue Program	3005	Gas Distribution Non-Revenue Blanket	5,999,999
			Gas Overbuilt Pipe Replacement Program	3006	Overbuilt Pipe Replacement Blanket	900,000
			Gas PMC Program	3055	Gas Meter Replacement Non Revenue	1,030,000
			Gas Regulator Stn Replacement Program	3002	Regulator Reliable - Blanket	800,001
			Gas Reinforcement Program	3000	Gas Reinforce-Minor Blanket	1,000,000
			Gas Replacement Street and Highway Program	3003	Gas Replace-St&Hwy	4,500,000
			New Revenue - Growth	1001	Gas Revenue Blanket	13,343,401
				1050	Gas Meters Minor Blanket	1,880,298
				1051	Gas Regulators Minor Blanket	329,584
				1053	Gas ERT Minor Blanket	678,333
		GD Total				53,080,939
	AN	GD	Gas Telemetry Program	3117	Gas Telemetry	400,000
		GD Total				400,000
	ID	GD	Gas Rathdrum Prairie HP Main Reinforcement Project	3301	Rathdrum Prairie HP Gas Reinforcement	-
			Gas Spokane St Bridge IP Main Project	3305	Spokane St Bridge Gas Main	999,998
		GD Total				999,998
	OR	GD	Gas Bonanza Gate Stn Project	3307	Bonanza Gate Stn Move	600,485
			Gas East Medford HP Main Reinforcement Project	3203	East Medford Reinforcement	4,999,907

			Gas Elgin 6" HP Main Reinforcement	3209	Elgin Line HP Reinforcement	-
		GD Total				5,600,392
	WA	GD	Gas Goldendale HP Main Reinforcement Project	3306	Goldendale HP	3,504,911
			Gas N Spokane Hwy 2 HP Main Reinforcement Project	3237	US2 N Spo Gas HP Reinforce(Kaiser Prop)	-
		GD Total				3,504,911
Gas Distribution 374-387 Total						**63,586,240**
Gas Underground Storage 350-357	AA	GD	Jackson Prairie Storage	7201	Jackson Prairie Storage	1,356,300
		GD Total				1,356,300
Gas Underground Storage 350-357 Total						**1,356,300**
General 389-391 / 393-395 / 397-398	AA	CD	Capital Tools & Stores Equipment	7002	Office Mach & Equiq	-
				7005	Stores Equip	648,325
				7006	Tools Lab & Shop Equipment	1,700,000
			COF LngTrm Restruct Ph2	7131	COF Long Term Restructuring Plan Phase 2	2,000,000
			COF Long-Term Restructuring Plan	7126	Long term Campus Re-Structuring Plan	8,500,000
			Enterprise Security	5014	Security Systems	3,800,000
			HVAC Renovation Project	7101	COF HVAC Improvmt	9,250,000
			Microwave Refresh	5121	Microwave Replacement with Fiber	2,362,680
			Retracted	5146	Computer Access for All Employees	-
			SCADA - SOO & BUCC	2277	SCADA Upgrade	1,019,999
			Strategic Initiatives	7060	Strategic Initiatives	2,062,484
			Structures and Improvements/Furniture	7001	Structures & Improv	3,400,000
				7003	Office Furniture	1,200,000
		CD Total				35,943,488
	AN	CD	Next Generation Radio Refresh	5106	Next Generation Radio System	4,200,000
		CD Total				4,200,000
		ED	Environmental Compliance	6002	Environmental Compliance Blanket	249,996
			High Voltage Protection for Substations	5142	High Voltage Protection Upgrade	719,028
		ED Total				969,024
	ID	CD	Sandpoint Renovation	7137	Sandpoint Service Center	500,000
		CD Total				500,000
	WA	CD	Dollar Rd Service Center Addition and Remodel	7132	Dollar Rd Service Center Addition and Remodel	-
			New Deer Park Service Center	7135	Deer Park Service Center	2,750,000
			Wa State Park & Rec Utility Use Agreement	6109	Wa St Park Utility Use Agreement	-
		CD Total				2,750,000
General 389-391 / 393-395 / 397-398 Total						**44,362,512**
Hydro 331-336	AN	ED	Base Load Hydro	4147	Base Hydro	1,149,000
			Cabinet Gorge Automation Replacement	4163	CG HED Automation Replacement	-
			Cabinet Gorge Unit 1 Refurbishment	4161	CG HED U#1 Refurbishment	11,400,000
			Clark Fork Settlement Agreement	6100	Clark Fork License/Compliance	100,000
				6103	Clark Fork Implement PME Agreement	13,888,010
			Generation Battery Replacement	4108	System Battery Replacement	250,000
			Hydro Safety Minor Blanket	6001	Hydro Generation Minor Blanket	70,000
			Little Falls Plant Upgrade	4152	Little Falls Powerhouse Redevelopment	14,300,000
			Long Lake Plant Upgrades	4164	Long Lake Plant Upgrades	-
			Long Lake Replace Field Windings	4169	Long Lake HED Replace Field Windings	-
			Nine Mile Rehab	4140	Nine Mile Redevelopment	51,323,000
			Noxon Spare Coils	4166	Noxon Rapids HED Spare Coils	1,350,000
			Noxon Station Service	4171	Noxon Station Service	-
			Post Falls South Channel Replacement	4162	PF S Channel Gate Replacement	11,008,000
			Regulating Hydro	4148	Regulating Hydro	4,136,001
			Spokane River License Implementation	6107	Spokane River Implementation (PM&E)	461,700
		ED Total				109,435,711
Hydro 331-336 Total						**109,435,711**
Other Elec Production / Turbines 340-346	AN	ED	Base Load Thermal Plant	4149	Base Load Thermal	2,200,000
			Coyote Springs LTSA	4142	CS2 LTSA Capital Add	-
				4143	CS2 LTSA Cash Accrual	-
			Peaking Generation	4150	Peaking Generation	500,000
		ED Total				2,700,000
Other Elec Production / Turbines 340-346 Total						**2,700,000**
Software 303	AA	CD	AFM COTS Migration	5147	AFM COTS Migration	-
			Apprentice Training	7200	Appren Craft Train	60,000
			AvistaUtilities.com Redesign	5143	AU.com & AVANet Redevelopment	4,124,999
			CSS Replacement	5138	Customer Information System (CIS) Replacement	95,108,321
			Enterprise Business Continuity Plan	5010	Enterprise Business Continuity	450,000

			Financial Forecast Model	5149	Financial Forecast Model	-
			Mobility in the Field	5144	Mobility in the Field	450,000
			Technology Expansion to Enable Business Process	5006	Information Technology Expansion Program	6,069,092
			Technology Refresh to Sustain Business Process	5005	Information Technology Refresh Program	18,594,836
		CD Total				124,857,248
	ID	CD	AMR Web Presentment	5150	AMR Web Presentment	-
		CD Total				-
Software 303 Total						**124,857,248**
Thermal 311-316	AN	ED	2019 Peaking Resource	4170	2019 Peaking Resource	-
			Colstrip Thermal Capital	4116	Colstrip Capital Additions	2,497,285
			KFGS Ash Collector	4168	KFGS Ash Collector	-
		ED Total				2,497,285
Thermal 311-316 Total						**2,497,285**
Transportation and Tools 392 / 396	AA	CD	CNG Fleet Conversion	7127	CNG Fleet Conversion	-
			Fleet Budget	7000	Transportation Equip	7,700,000
		CD Total				7,700,000
Transportation and Tools 392 / 396 Total						**7,700,000**
Grand Total						**479,996,088**
						CWIP Summary

ATTACHMENT 3

BUSINESS CASES

Exhibit No. ___(KKS-4)

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
GP-10	Other - Peaking Generation	500
GP-12	Thermal - Colstrip Thermal Capital	2,497
GP-14	Hydro - Noxon Spare Coils	1,350
GP-15	Hydro - Post Falls South Channel Replacement	11,008
GP-16	Hydro - Cabinet Gorge Unit 1 Refurbishment	11,400
		$ 114,633
	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
	Natural Gas Distribution:	
NGD-1	Aldyl A Replacement	$ 16,817
NGD-2	Cathodic Protection	950
NGD-3	Gas Non-Revenue Program	7,664
NGD-4	Gas Reinforcement	1,000
NGD-5	Gas Replacement Street & Highway	4,500
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
		$ 7,700

Exhibit No. ___(KKS-4)

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

Exhibit No.___(KKS- 5)
Attachment No.

		$ (000's)
	Enterprise Technology:	
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		2,026	2,026
ETD-20	Tribal Permits and Settlements	1,430		1,430
ETD-21	Worst Feeders		1,999	1,999
ETD-22	Spokane Valley Transmission Reinforcement	2,900		2,900
ETD-23	Clearwater Sub Upgrades	500		500
ETD-24	Franchising for WSDOT		427	427
ETD-25	Harrington 4 kV Cutover		2,025	2,025
ETD-28	Transmission - Asset Management	1,709		1,709
ETD-30	Transmission - NERC Low Priority Mitigation	500		500
ETD-31	Transmission - NERC Medium Priority Mitigation	3,294		3,294
ETD-32	SCADA - SOO & BUCC	1,020		1,020
ETD-34	Noxon Switchyard Rebuild	8,325		8,325
ETD-35	Street Light Management		1,500	1,500
		$ 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**

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $3,447[1]

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.

[1]The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Investment Name:	**Base Load Hydro**		
Requested Amount	**$ 800,000**	**Assessments:**	
Duration/Timeframe	10 Year Program	Financial:	14.19%
Dept.., Area:	GPSS	Strategic:	Generating plant performance
Owner:	Andy Vickers	Business Risk:	Business Risk Reduction >5 and <= 10
Sponsor:	Jason Thackston	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Program		
Mandate/Reg. Reference:	n/a	Assessment Score:	#NAME?

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease)**			
		Capital Cost	**O&M Cost**	**Other Costs**	**Business Risk Score**
This program is to cover the capital maintenance expenditures required to keep these plants operating within 90% of their current performance (this assumes some degredation of performance over time.) The program will focus on ways to maintain compliance and reduce overall O&M expenses while maintaining a reasonable unit avilability. These plants are the Upper Spokane River Plants. These include PF, UF, MS, NM	This program would systematically upgrade various equipment to improve	$ 800,000	$ -	$ -	6

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease)**			
			Capital Cost	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	Current Unit avilability has been declining over the past several years (see 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.	n/a	$ 450,000	$ -	$ -	16
Alternative 1: Brief name of alternative (if applicable)	Fund this program at something above the historical amount would result in some improvement but would continue the declining rate of availability	anticipate a slowing trend change	$ 650,000	$ -	$ -	6
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

Program Cash Flows

	Capital Cost	**O&M Cost**	**Other Costs**	**Approved**
Previous	$ -	$ -	$ -	$ -
2014	$ 1,200,000	$ -	$ -	$ 1,149,000
2015	$ 800,000	$ -	$ -	$ 1,149,000
2016	$ 800,000	$ -	$ -	$ 1,149,000
2017	$ 800,000	$ -	$ -	$ 1,149,000
2018	$ 800,000	$ -	$ -	$ 1,149,000
2019	$ 800,000	$ -	$ -	$ 1,149,000

Associated Ers (list all applicable):			
4000	4106		
4003	4109		
4004	4117		
4104			

Exhibit No.___ (DCG-20)
Dockets UE-150204/UG-150205
Page 45 of 303

Exhibit No.___(KKS-5)
Attachment No.___GP-1.1

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AVISTA

2020+	$ 4,000,000	$ -	$ -	$ -
Total	$ 9,200,000	$ -	$ -	$ 6,894,000

ER	2015	2016	2017	2018	2019	Total
4147	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 4,000,000
4106	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
4004	$ -	$ -	$ -	$ -	$ -	$ -
4117	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
4104	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 4,000,000

Mandate Excerpt (if applicable):

Within this program, there are some FERC and NERC mandated items that are included. These are expected to be managed as part of the overll program and are not considered as individual items here.

Additional Justifications:

The historical availability for the base load hydro plants has been declining over the past ten years due to deteriorating equipment and a need to replace some equipment and systems that are very old. The age of these plants (Post Falls 105 yrs old, NIne MIle 103 years old, and Upper Falls 90 years old) also create some issues due to the band aid investments that have been made over the years to address immediate problems rather than a programatic approach as indicated by this program.

Resources Requirements: *(request forms and approvals attached)*

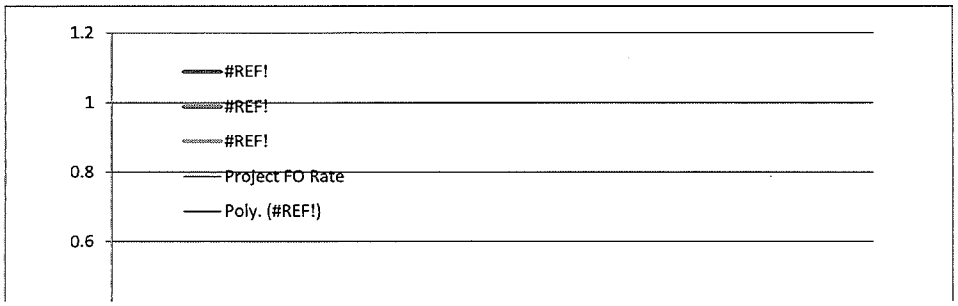
Internal Labor Availability:	☐ Low Probability	☑ Medium Probability	☐ High Probablity	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ YES - 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 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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Director/Manager

Other Party Review signature Maggi Stevens

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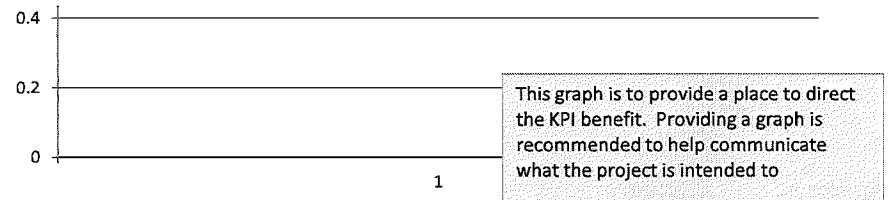

(if necessary) Director/Manager

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	Review Cycles
	2012-2016

Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $33,564[1]

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.

[1]The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__GP-2.1

AVISTA

Investment Name:	**Clark Fork Settlement Agreement**		
Requested Amount	**$12,569,817**	**Assessments:**	
Duration/Timeframe	45 Year Program	Financial:	High - Exceeds 12% CIRR
Dept., Area:	Environmental	Strategic:	Other
Owner:	Tim Swant (Mgr), Bruce Howard (Dir)	Operational:	Operations require execution to perform at current levels
Sponsor:	Marian Durkin	Business Risk:	ERM Reduction >10 and <= 15
Category:	Mandatory	Program Risk:	Moderate certainty around cost, schedule and resources
Mandate/Reg. Reference:	n/a	Assessment Score:	174

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
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.		$ 12,569,817	$ -	$ -	4

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	If the PMEs are not funded, there is potential for penalties/fines, new license requirements or alternative enforcement and higher mitigation costs, and/or loss of operational flexibility of the hydro facilities; in addition, we are subject to direct enforcement or lawsuits regarding the settlement.	n/a	$ -	$ -	From Moderate to Extreme	20
			$ -	$ -	$ -	0
			$ -	$ -	$ -	0
			$ -	$ -	$ -	0

Program Cash Flows

5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2012	$ -	$ -	$ -	$ 5,728,500
2013	$ 5,348,751	$ -	$ -	$ 4,655,220
2014	$ 12,569,817	$ -	$ -	$ 9,341,817
2015	$ 18,760,951	$ -	$ -	$ 9,927,956
2016	$ 13,410,790	$ -	$ -	$ 14,293,795
2017	$ 15,056,504	$ -	$ -	$ 15,835,510
2018	$ 5,139,269	$ -	$ -	$ 13,302,275
2019	$ -	$ -	$ -	$ 5,052,843
Total	$ 70,286,082	$ -	$ -	$ 78,137,916

Associated Ers (list all applicable):

6103	6100			

Mandate Excerpt (if applicable):

Article 401. The licensee shall comply with the terms and conditions of this license in accordance with the Clark Fork Settlement Agreement (CFSA) (License Application Volume III) Entered into January 28, 1999, in addition to the articles set forth within the FERC project 2058-014

Additional Justifications:

The CFSA establishes processes and includes measures for resolving a wide range of complex and conflicting areas of interest to 27 various parties. Under this agreement, Avista will work with a Management Committee comprised of one representative of each of the parties to implement the PM&E measures.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ 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

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AVISTA

Exhibit No.__(KKS-5)
Attachment No.__GP-2.2

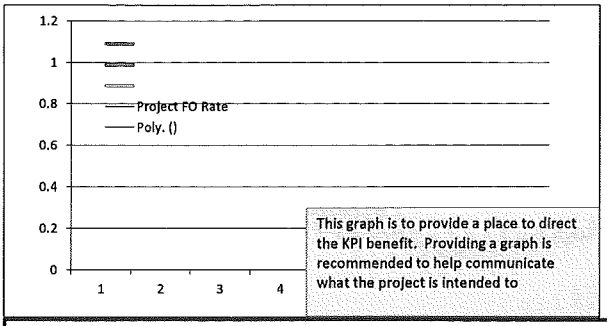
	☐ YES - attach form			
Fleet:	☐ YES - attach form	☑ NO or Not Required	(this does not require a firm committment).	

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__GP-2.3

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



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

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Director/Manager

Other Party Review (if necessary) signature Maury Stevens
Director/Manager

Capital Budget Projections

		2014	2015	2016	2017	2018	
ER 6103		3,687,817	3,827,951	4,023,790	4,225,504	4,352,269	**Core PMEs:** assumes 3% labor change, 3% ave GDP and Int adjustment (10 year historical review)
Guy		1,317,000	2,103,000	2,322,000	2,566,000	12,000	**Spillway Crest** modifications for TDG- 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 2015, 2 bays in 2016, and 2 bays in 2017
Bruce		225,000	340,000	425,000	245,000	375,000	**Tributatry traps for downstream passage:** assumes feasibility study and design 2014 - 2015, with construction anticipated in 2016
		4,900,000	9,900,000	2,500,000	-	-	**Cabinet Gorge fishway:** assumed to be started post spill 2014 and completed by the start of Q3 2016
		390,000	590,000	3,920,000	7,620,000	-	**Noxon Rapids fishway:** assumes project on hold at 30% level with construction to begin 2016. Some backgroud project work would continue.
Min Flow		250,000	200,000	100,000	100,000	100,000	
Clark Fork Delta		1,500,000	1,500,000	-	-	-	erosion remediation with Avista contributing 15-25% to the erosion loss. Project to begin in the fall of 2014 through 2015.
Permitting & Additional Labor		200,000	200,000	20,000	200,000	200,000	permitting needs on all construction: Fishway Projects & GSCP change in management of Spillway Crest and additional anticipated labor expenses
ER 6100		100,000	100,000	100,000	100,000	100,000	Ongoing non-PME capital for facilities maintenance.
B04		12,569,817	18,760,951	13,410,790	15,056,504	5,139,269	

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__GP-2.4

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]

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.

[1]The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case

Exhibit No.__(KKS-5)
Attachment No.__GP-3.1

AVISTA

Investment Name:	Generation Battery Replacement
Requested Amount	$160,000
Duration/Timeframe	20 Year Program
Dept., Area:	GPSS
Owner:	Andy Vickers
Sponsor:	Jason Thackston
Category:	Program
Mandate/Reg. Reference:	n/a

Assessments:	
Financial:	Low - >0% and < 5% CIRR
Strategic:	Life Cycle Programs
Operational:	Operations somewhat impacted by execution
Business Risk:	ERM Reduction >5 and <= 10
Program Risk:	High certainty around cost, schedule and resources
Assessment Score:	72

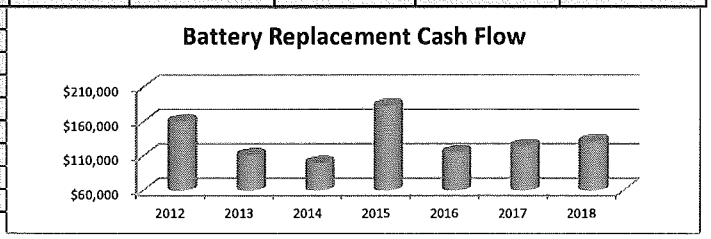
Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program is set up around an asset management plan for the station batteries in all generating stations. This is the same as the current Battery replacment item. This item will also have some minor fluctuations as the number and size of batteries in any one year can change.	Forced outages from battery failures	$ 160,000	$ -	$ -	0

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo :	We currently have a battery replacement program in place	n/a	$ 120,000	$ -	$ -	0
Alternative 1: Brief name of alternative (if applicable)	Failure to replace batteries on a planned basis will result in system failures of a battery and subsequently place an entire generating asset and public at risk due to loss of protection and control of the systems.	possible outages and equipment failures	$ -	$ -	$ -	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

Program Cash Flows
2012-2016

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ 10,000	$ -	$ -	$ 10,000
2012	$ 160,000	$ -	$ -	$ 160,000
2013	$ 111,000	$ -	$ -	$ 111,000
2014	$ 100,000	$ -	$ -	$ 100,000
2015	$ 183,000	$ -	$ -	$ 250,000
2016	$ 115,000	$ -	$ -	$ 250,000
2017	$ 124,000	$ -	$ -	$ 250,000
2018	$ 131,000	$ -	$ -	$ 250,000
2019	$ -	$ -	$ -	$ 250,000
Future	$ 201,000	$ -	$ -	$ -
Total	$ 1,135,000	$ -	$ -	$ 1,631,000

Associated Ers (list all applicable): 4108



Mandate Excerpt (if applicable):
n/a

Additional Justifications:
This is part of a life cycle program for battery replacement. While there is little to measure the benefits from this program, failure to execute this program results in unplanned system battery failures. We have experienced these failures in the recent past and had been fortunate that we did not loose control of the plant. When a battery fails, there is a risk of loss of control, loss of protection, and the possibilty of extensive damage to powerhouse equipment due to the excess low voltage or loss of control. The DC system is the one system that must be near fail safe in order to protect both property and personnel.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☐ YES	☑ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ YES - attach form	☑ NO or Not Required

Capital Investment Business Case

AVISTA

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

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Director/Manager

Other Party Review signature Maggie Stevens
(if necessary) 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	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $233[1]

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.

[1]The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__GP-4.1

AVISTA

Investment Name:	**Hydro Safety Minor Blanket**		
Requested Amount	**$65,000**	**Assessments:**	
Duration/Timeframe	Lifetime Year Program	Financial:	MH - >= 9% & <12% CIRR
Dept.., Area:	Environmental	Strategic:	Other
Owner:	Michele Drake (Coor); Bruce Howard (Dir)	Operational:	Operations require execution to perform at current levels
Sponsor:	Marian Durkin	Business Risk:	ERM Reduction >10 and <= 15
Category:	Mandatory	Program Risk:	Moderate certainty around cost, schedule and resources
Mandate/Reg. Reference:	FERC Hydro Public Safety Guidelines	Assessment Score:	160

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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	n/a	$ 65,000	$ -	$ -	4

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Alternative 1: Funded	Funding of this program reduces liability risk and improves public safety on and near the Hydro Facilities. These requirements come from Federal Law and are referenced as poart of our hydro licenses from FERC.	n/a	$ 65,000	$ -	$ -	20
Alternative 2: Unfunded	Potential compliance issues and possible fines imposed. Potential for loss of life or injury and increased legal litigation associated with recreational liability.		$ -	$ -	from moderate to extreme	4

Program Cash Flows
5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2012		$ -	$ -	$ 35,000
2013		$ -	$ -	$ 5,000
2014	$ 65,000	$ -	$ -	$ 88,000
2015	$ 70,000	$ -	$ -	$ 70,000
2016	$ 75,000	$ -	$ -	$ 75,000
2017	$ 80,000	$ -	$ -	$ 80,000
2018	$ 80,000	$ -	$ -	$ 80,000
2019	$ -	$ -	$ -	$ 80,000
Total	$ 370,000	$ -	$ -	$ 513,000

Associated Ers (list all applicable):

Current ER	6001

Mandate Excerpt (if applicable):
Section 10© of the Federal Power Act authorizes the FERC to establish regulations requiring owners of hydro projects unders its jurisdiction to operate and properly maintain such projects for the protection of life, health and property. Title 18, Part 12, Section 42 of the Code of Federal Regulations stats that, "To the satisfaction of, and within a time specified by the Regional Engineer an applicant, or licensee must install, operate and maintain any signs, lights, sirens, barriers or other safety devices that may reasonably be necessary.

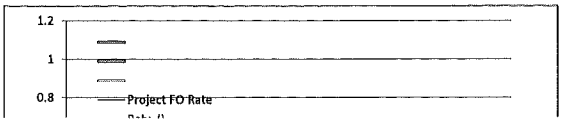
Additional Justifications:
Hydro Public Safety measures as described in the Federal Energy Regulation Commission (FERC) publication "Guidelines for Public Safety at Hydropower Projects" and as documented in Avista's Hydro Public Safety Plans for each of its hydro facilities.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☐ 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).
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required	
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required	
				Fleet:	☐ YES - attach form	☑ NO or Not Required	

Key Performance Indicator(s)
Expected Performance Improvements

KPI Measure: FERC's Annual Dam Safety Inspections, Public Use Inspection (conducted approximately once every five years) and review & approval of Avista's submittals.



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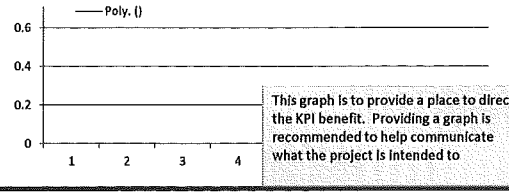
AVISTA



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

Director/Manager

Other Party Review (if necessary) signature Margie Stevens Director/Manager

Capital Budget Projections

		2014	2015	2016	2017	2018	
ER 6001		65,000	70,000	75,000	80,000	80,000	Dam Safety anticipated need for safety equipment
H04		65,000	70,000	75,000	80,000	80,000	
ER 7108		265,000	195,000	125,000	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	Review Cycles
	2012-2016

Exhibit No.__(KKS-5)
Attachment No.__GP-4.3

	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $27,700[1]

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.

[1]The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__GP-5.1

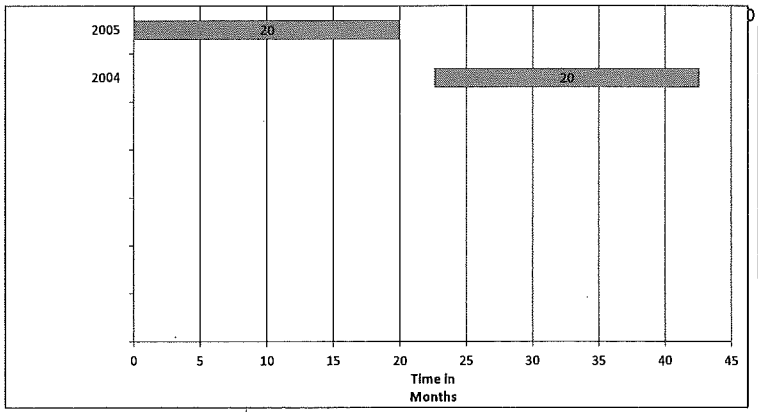
Investment Name:	**Little Falls Plant Upgrade (Revised)**
Requested Amount	**$56,100,000**
Duration/Timeframe	8 Year Project
Dept., Area:	GPSS
Owner:	Andy Vickers
Sponsor:	Jason Thackston
Category:	Project
Mandate/Reg. Reference:	n/a

Assessments:	
Financial:	MH - >= 9% & <12% CIRR
Strategic:	Generating Fleet Moderization
Operational:	Operations improved beyond current levels
Business Risk:	ERM Reduction >5 and <= 10
Project/Program Risk:	High certainty around cost, schedule and resources
Assessment Score:	104.5

Recommend Project Description:	**Performance**	**Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
The existing Little Falls equipment ranges in age from 60 to more than 100 years old. We have experienced an increase in forced outages at Little Falls over the past six years has significantly increased (from ~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 nearly all of the old, unreliable equiment with new. this includes replacing two of the turbines, all four generators, all generator breakers, three of the four governors, all of the AVR's, removing all four generator excters, replacing the unit controls, changing the switchyard configuration, replacing the unit protection system, and replace	there would be some performance improvement	$ 56,100,000	$ (20,000)	$ -	3

Alternatives:		**Performance**	**Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Status Quo:	Forced outages and emergency repairs would continue to increase, reducing the reliability of the plant. At some point, personnel may need to be placed 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 the worst condition, and then continue to use the older equipment. This continues to rely on this older equipment for reliability purposes. This would only minimally improve Force Outage rate for the plant.	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 service reliability would continue to cause an increasing unplanned outages. However, the 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	$ -	$ -	$ -	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

Milestones (high level targets)

October-10	Project Started	March-14	Control Room Installed	July-15	Second Unit OOS
July-12	AVR/Breaker Replacement	June-14	Control Panels Installed	March-16	Second Unit RTS
February-12	AVR/Breaker Work Complete	June-14	Switchyard Work Complete	July-16	Third Unit OOS
July-13	Demolition Complete	July-14	First Unit Out of Service (OOS)	March-17	Third Unit RTS
January-14	Station Service Complete	March-15	Rirst Unit Returned to Service (R	7/1/117	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.

Capital Investment Business Case

Exhibit No.__(KKS-5)
Attachment No.__GP-5.2

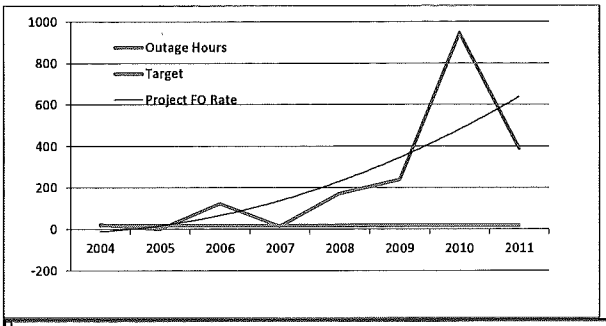
Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☐ High Probability	Enterprise Tech:	☑ YES - attach form	☐ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ YES - attach form	☑ NO or Not Required

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Forced Outage Hours



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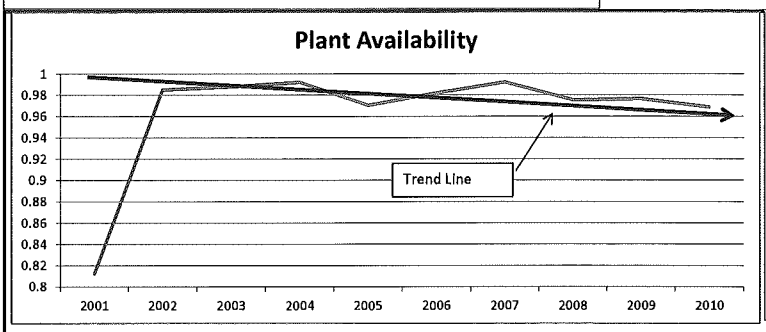
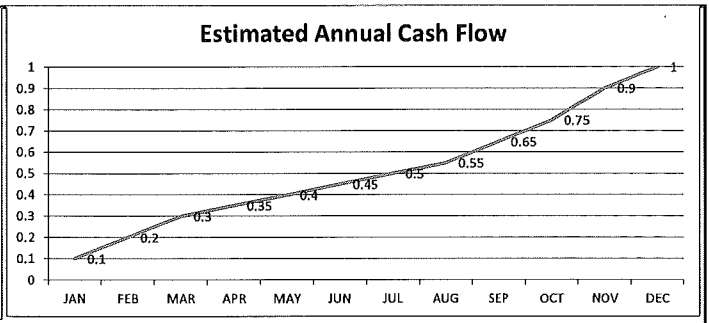
Reviewed signature
Director/Manager

Other Party Review signature Maggie Stevens
(if necessary) Director/Manager





Revision: 2013 Business Case: This project business case is being revised and is requesting additional amounts for the 2013 budget year. The reason for this request is that originally some of the station service and switchyard work was contemplated to be done in future years but with better project planning, we have now determined that we must get a new station service and panel room installed before we start work on the generating units themselves. This results in shifting the unit ugrade work an additionall year.

Another consideration is that some fo the major cost componenets (i.e. turbine runners, generator stators, governors) will not be bid and procurred for a year or so. The actual expected costs could change considerably as we begin to pin down costs of these major items and better determine a more comprehensive scope of work.

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $56,300[1]

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.

[1]The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Project Business Case

Exhibit No.__(KKS-5)
Attachment No.__GP-6.1

AVISTA

Investment Name:	**Nine Mile Rehab Program**
Requested Amount	**$90,913,000**
Duration/Timeframe	8 Year Project
Dept.., Area:	GPSS
Owner:	Andy Vickers
Sponsor:	Jason Thackston
Category:	Project
Mandate/Reg. Reference:	n/a

Assessments:	
Financial:	14.00%
Strategic:	Generating Plant Modernization
Business Risk:	Business Risk Reduction >10 and <= 15
Project Risk:	High certainty around cost, schedule and resources
Assessment Score:	#NAME?

Recommend Project Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
This program is to rehabilitate and modernize the 4 unit Nine Mile HED. This program includes projects to replace Units 1 and 2 which are more than 100 years old and are wore out. 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.	increase capacity, energy, and renewable credits. (REC's)	$ 90,913,000	$ -	$ -	4

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Project:	Currently both Units 1 and 2 are tagged out of service due to them being mechanically wore out. A FERC license amendment has been received to replace these units.	n/a	$ -	$ -	$ -	16
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	$ -	$ -	$ -	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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ 10,612,838	$ -	$ -	$ 10,612,838
2013	$ 15,379,000	$ -	$ -	$ 11,399,000
2014	$ 21,505,000	$ -	$ -	$ 26,700,000
2015	$ 10,193,000	$ -	$ -	$ 21,076,917
2016	$ 6,000,000		$ -	$ 8,523,178
2017	$ 13,315,000	$ -	$ -	$ 4,901,639
2018				$ 5,348,169
2019				$ 998,590
Total	$ 66,392,000	$ -	$ -	$ 78,947,493

Associated Ers (list all applicable):			

ER	2013	2014	2015	2016	2017	Total
4140	$ 15,379,000	$ 21,505,000	$ 10,193,000	$ 6,000,000	$ 13,315,000	$ 66,392,000
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 15,379,000	$ 21,505,000	$ 10,193,000	$ 6,000,000	$ 13,315,000	$ 66,392,000

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.

Milestones (high level targets)

January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open

Milestones should be general. Use your judgement on project progress so that progress can

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability: ☐ Low Probability ☐ Medium Probability ☐ High Probablity Enterprise Tech: ☐ YES - attach form ☐ NO or Not Required Capital Tools: ☐ YES - attach form ☐ NO or Not Required

AVISTA

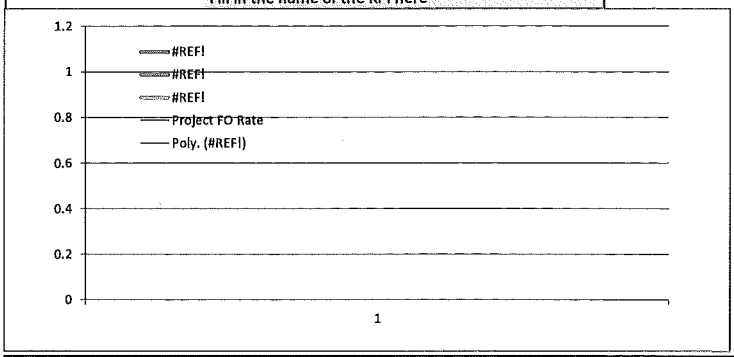
Contract Labor:	☐ YES	☐ NO	Facilities:	☐ YES - attach form	☐ YES - attach form	☐ NO or Not Required	Fleet:	☐ YES - attach form	☐ NO or Not Required

Capital Project Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__GP-6.3

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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Reviewed signature _____
Director/Manager

Other Party Review signature Maggie Stevens
(if necessary) Director/Manager

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

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $9,899[1]

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.

[1]The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__GP-7.1

Investment Name:	**Regulating Hydro**		
Requested Amount	**$3,500,000**	**Assessments:**	
Duration/Timeframe	20 Year Program	Financial:	High - Exceeds 12% CIRR
Dept., Area:	GPSS	Strategic:	Generating Fleet Modernization
Owner:	Andy Vickers	Operational:	Operations improved beyond current levels
Sponsor:	Jason Thackston	Business Risk:	Business Risk Reduction >0 and <= 5
Category:	Program	Program Risk:	High certainty around cost, schedule and resources
Mandate/Reg. Reference:	n/a	Assessment Score:	88

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease)** Capital Cost	O&M Cost	Other Costs	Business Risk Score
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 anciliary markets. These plants are LL, LF, NR, CG.	describe any incremental changes that this Program would benefit present operations	$ 3,500,000	$ -	$ -	10

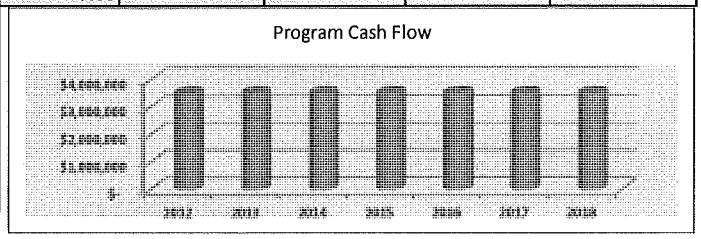
Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease)** Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo:	Current work has been done to achieve a relatively high avialability rate for this group of assets. Work has been prioritized according to equipment needs.	n/a	$ 1,890,000	$ -	$ -	15
Alternative 1: Brief name of alternative (if applicable)	We could reduce spending to reduced levels for small decrease in overall availability but reducing ancillary services from plant (i.e. no Cabinet reserves, load following services, etc.)	describe any incremental changes in operations	$ 2,200,000	$ -	$ -	15
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

Program Cash Flows
2012-2016

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ 1,890,000	$ -	$ -	$ 1,890,000
2012	$ 3,500,000	$ -	$ -	$ 2,533,000
2013	$ 3,500,000	$ -	$ -	$ 2,233,000
2014	$ 3,500,000	$ -	$ -	$ 2,833,000
2015	$ 3,500,000	$ -	$ -	$ 3,533,000
2016	$ 3,500,000	$ -	$ -	$ 3,533,000
2017	$ 3,500,000	$ -	$ -	$ 3,533,000
2018	$ 3,500,000	$ -	$ -	$ 3,533,000
2019	$ -	$ -	$ -	$ 3,533,000
Future	$ 3,500,000	$ -	$ -	$ -
Total	$ 29,890,000	$ -	$ -	$ 27,154,000

Associated Ers (list all applicable):

4000	4102			
4003	4103			
4004	4105			
4100				



Mandate Excerpt (if applicable):
Within this program, there are some FERC and NERC mandated items that are included. These are expected to be managed as part of the overll program and are not considered as individual items here.

Additional Justifications:
The magnitude of the value of this program is not evident with the scoring system used. The CIRR calculated for this program is 54.07% for each reduction of 1% in availability. Sustaining this program is very important for this class of assets. While the purpose of this program is to sustain our current level of unit availability for these plants, individually, we have been experiencing a decline in the availability of Little Falls due to aging equipment and failures of that equipment. This is being addressed in a separate project request. Additionally, efforts will be made within this program to improve what is commonly referred to as the ancilary services from these generating assets. This include installing blow down systems to allow for spinning reserves, moving load following demands to all of these plants, voltage regulating needs, etc. This will also include some elements of hydro license compliance as related to plant operations and equipment.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probablity	Enterprise Tech:	☑ YES - attach form	☐ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ YES - attach form	☑ NO or Not Required

Capital Investment Business Case

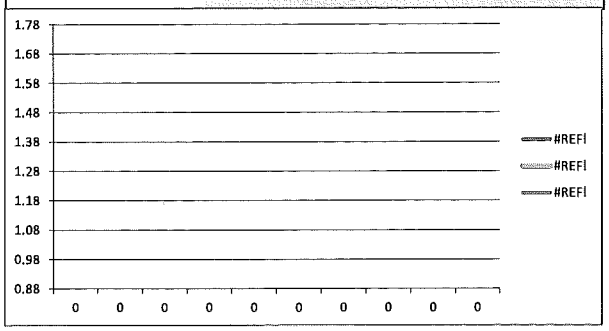
Exhibit No.__(KKS-5)
Attachment No.__GP-7.2

AVISTA

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure: Availability



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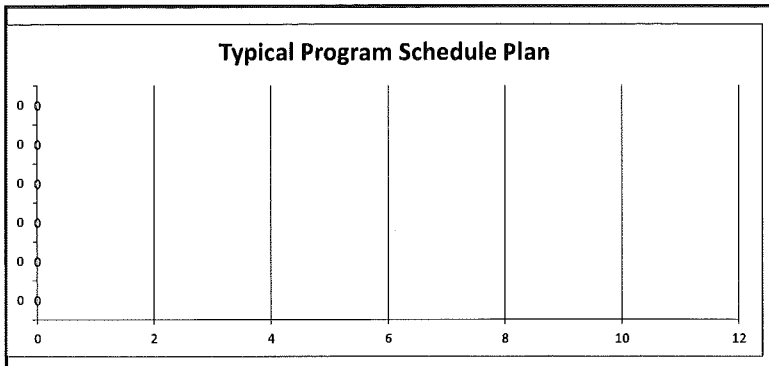
Reviewed signature
Director/Manager

Other Party Review (if necessary) signature Margie Stevens
Director/Manager



To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $17,192[1]

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.

[1]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:**	
Duration/Timeframe	50 Year Program	Financial:	12.00%
Dept.., Area:	Environmental	Strategic:	Community vitality
Owner:	Elvin "Speed" Fitzhugh (Mgr); Bruce Howard (Dir)	Business Risk:	Business Risk Reduction >10 and <= 15
Sponsor:	Marian Durkin	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Mandatory		
Mandate/Reg. Reference:	FERC Project No 2545-091	Assessment Score:	179

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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	n/a	$ 2,902,000	$ -	$ -	8

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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.	n/a	$ -	$ -	$ -	20
			$ -	$ -	$ -	8
			$ -	$ -	$ -	0
			$ -	$ -	$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ 3,192,000	$ -		$ 3,192,000
2014	$ 2,902,000	$ 4,315,492		$ 2,232,000

Associated Ers (list all applicable):			
6107			

Exhibit No.___ (DCG-20)
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Exhibit No.___ (KKS-5)
Attachment No.___ GP-8.1

Printed: 01-09-2015
C:\Users\vff9457\Desktop\Indexed Business Cases For KKS-5\Generation\GP-08 - Update - Spokane River License Implementation

2015	$ 11,262,000	$ 4,443,970	$ -	$ 11,327,900
2016	$ 2,591,000	$ 4,466,092	$ -	$ 3,632,250
2017	$ 529,000	$ -	$ -	$ 516,450
2018	$ 579,000	$ -	$ -	$ 468,250
2019	$ -	$ -	$ -	$ 532,700
2020+	$ -	$ -	$ -	$ -
Total	$ 21,055,000	$ 13,225,554	$ -	$ 21,901,550

ER	2015	2016	2017	2018	2019	Total
6107	$ 11,262,000	$ 2,591,000	$ 529,000	$ 579,000	$ -	$ 14,961,000
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 11,262,000	$ 2,591,000	$ 529,000	$ 579,000	$ -	$ 14,961,000

Mandate Excerpt (if applicable):

The Federal Energy Regulatory Commission issued a 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 the Post Falls HED, Upper Falls HED, Montroe Street HED, Nine Mile HED and Long Lake HED.

Additional Justifications:

This License defines how Avista shall operate the Spokane River Project and includes several hundred requirements that we must meet to retain this License. Overall, the License is issued pursuant to the Federal Power Act. It embodies requirements of a wide range of other laws, including the Clean Water Act, the Endangered Species Act, the National Historic Preservation Act, among others. These requirements are also expressed through specific license articles (or Protection, Mitigation and Enhancement 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 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.

Resources Requirements: *(request forms and approvals attached)*

Check the appropriate box. The internal and contract

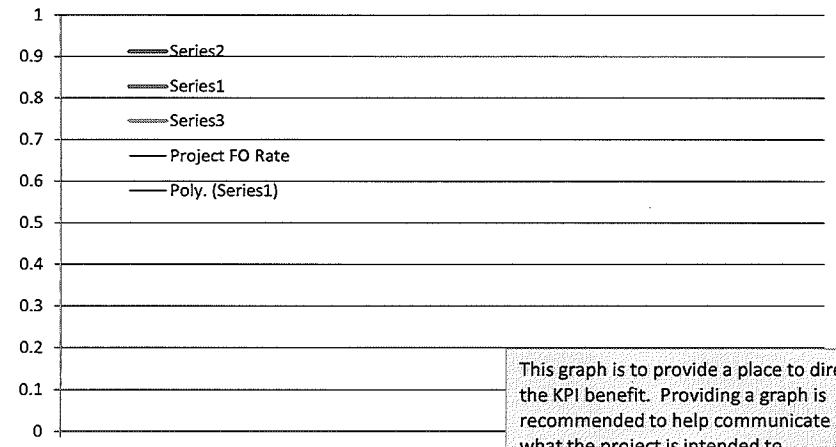
Capital Program Business Case

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probablity	Enterprise Tech:	☐ 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).
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required	
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required	
				Fleet:	☐ YES - attach form	☑ NO or Not Required	

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



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

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Director/Manager

Other Party Review signature Margi Stevens
(if necessary) Director/Manager

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 Forest Service (Federal Power Act 4(e), issued May 4, 2007), 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").

To be completed by Capital Planning Group

Rationale for decision	Review Cycles

AVISTA

	2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]

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.

[1]The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case

Exhibit No.__(KKS-5)
Attachment No.__GP-9.1

AVISTA

Investment Name:	**Base Load Thermal Plant**
Requested Amount	$6,500,000
Duration/Timeframe	ongoing Year Program
Dept.., Area:	GPSS / Power Supply
Owner:	Andy Vickers
Sponsor:	Jason Thackston
Category:	Program
Mandate/Reg. Reference:	n/a

Assessments:

Financial:	High - Exceeds 12% CIRR
Strategic:	Generating Fleet Moderization
Operational:	Operations require execution to perform at current levels
Business Risk:	ERM Reduction >5 and <= 10
Program Risk:	High certainty around cost, schedule and resources
Assessment Score:	94

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program is necessary to sustain or improve the existing operating costs of these major Base Load generating stations. This program is specifically for Coyote Springs 2, Colsstrip, Kettle Falls, and Lancaster. 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 derates of these facilities will decrease to a level one standard deviation less than current average resulting in more economic benefits of the project.	This will improve the forced outage rate for these plants by an overall 0.1%	$ 2,200,000	$ -	$ -	8

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo :	These plants continue to age and their economic performance has degraded over time. These degrades have been offset with work that is included in a program like this. Currently, each plant is manged independent of the other,	n/a	$ -	$ -	$ -	15
Alternative 1: Brief name of alternative (if applicable)	The program can be reduced in amount and effectiveness in accomplishing the Goal	current trend would be reduced.	$ 5,500,000	$ -	$ -	10
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

Program Cash Flows
2012-2016

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ 6,520,910	$ -	$ -	$ 6,520,910
2012	$ 6,500,000	$ -	$ -	$ 6,877,000
2013	$ 6,500,000	$ -	$ -	$ 7,500,000
2014	$ 6,500,000	$ -	$ -	$ 2,300,000
2015	$ 6,500,000	$ -	$ -	$ 2,200,000
2016	$ 6,500,000	$ -	$ -	$ 2,200,000
2017	$ 6,500,000	$ -	$ -	$ 2,200,000
2018	$ 6,500,000	$ -	$ -	$ 2,200,000
2019	$ -	$ -	$ -	$ 2,200,000
Future	$ 6,500,000	$ -	$ -	$ -
Total	$ 58,520,910	$ -	$ -	$ 34,197,910

Associated Ers (list all applicable):

Current ER	4148			

Mandate Excerpt (If applicable):

Within the program there are a number of regulatory mandates for air emissions and monitoring that must be complied with. In addition there numerous NERC requirements that must be met. These mandates are included within the amount listed above.

Additional Justifications:

As these plants degrade, we expose ourselves to an increasing forced outage rates and must acquire replacement energy and capacity from the market. This can leave use with significant exposure for shareholders in a particular year.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probablity	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ YES - attach form	☑ NO or Not Required

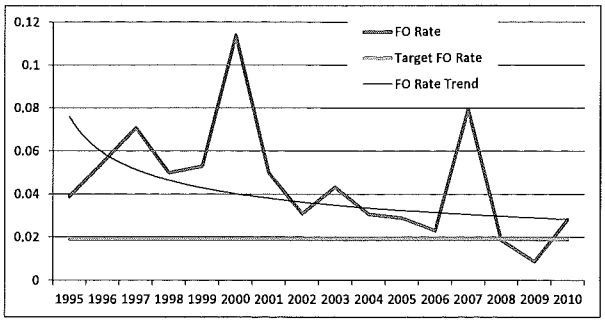
Capital Investment Business Case

Exhibit No.__(KKS-5)
Attachment No.__GP-9.2

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Forced Outage Rate



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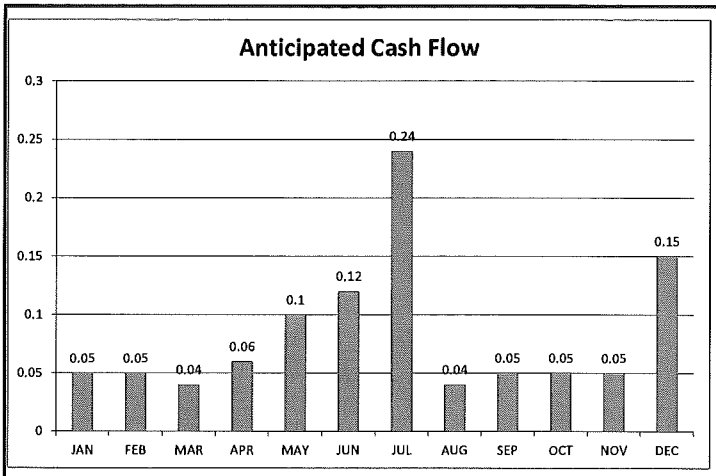
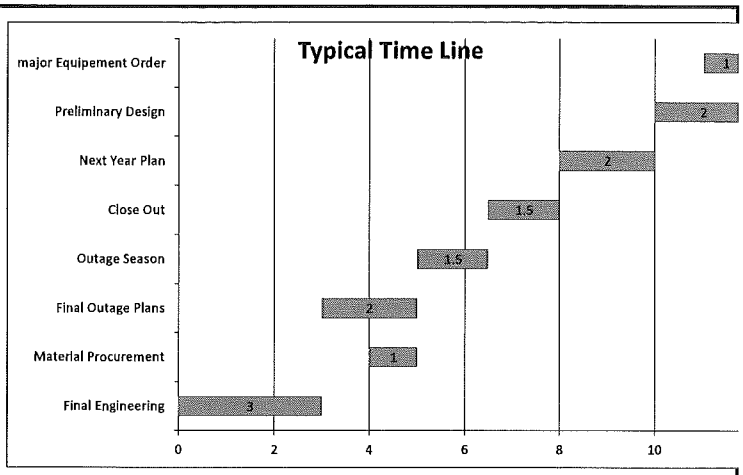
Director/Manager

Other Party Review signature Maggi Stevens
(if necessary) Director/Manager





To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $1,200[1]

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.

[1]The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Investment Name:	**Peaking Generation**		
Requested Amount	**$ 500,000**	**Assessments:**	
Duration/Timeframe	10 Year Program	Financial:	12.53%
Dept.., Area:	GPSS	Strategic:	Generating plant performance
Owner:	Andy Vickers	Business Risk:	Business Risk Reduction >5 and <= 10
Sponsor:	Jason Thackston	Program Risk:	High certainty around cost, schedule and resources
Category:	Program		
Mandate/Reg. Reference:	n/a	Assessment Score:	#NAME?

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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 these units to start and run when demanded (starting reliability). These plants include BP, RCT, NECT.	By expending these funds, the start reliability for these assets will be improved.	$ 500,000	$ -	$ -	6

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	The overall reliability of all of these assets will decline, resulting in non-starts, non-compliant emissions, and inoperable resources	n/a	$ -	$ -	$ -	16
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	$ -	$ -	$ -	6
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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2014	$ 500,000	$ -	$ -	$ 200,000
2015	$ 500,000	$ -	$ -	$ 500,000
2016	$ 500,000	$ -	$ -	$ 500,000
2017	$ 500,000	$ -	$ -	$ 500,000
2018	$ 500,000	$ -	$ -	$ 500,000
2019	$ 500,000	$ -	$ -	$ 500,000

Associated Ers (list all applicable):			

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Exhibit No. ___ (KKS-5)
Attachment No. ___ GP-10.1

Printed: 11-05-2014
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AVISTA

2020+	$ 2,500,000	$ -	$ -	$ -
Total	$ 5,500,000	$ -	$ -	$ 2,700,000

ER	2015	2016	2017	2018	2019	Total
4150	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 2,500,000
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 500,000	$ 2,500,000

Mandate Excerpt (if applicable):

Within this program, there are some FERC and NERC mandated items that are included. These are expected to be managed as part of the overll program and are not considered as individual items here.

Additional Justifications:

With wind and other renewables coming on line, there has been an increase in the amount of times that these units have been called on. The value of these units may not be reflected with this new market. Also, the analysis used currently does not contemplate the emergency reserve power value of these units. There are times when energy is unavailable from other sources and the spot price of energy can exceed $500/MWh or more. ($50 - $80/MWh being normal). This risk is somewhat modeled in the

Resources Requirements: *(request forms and approvals attached)*

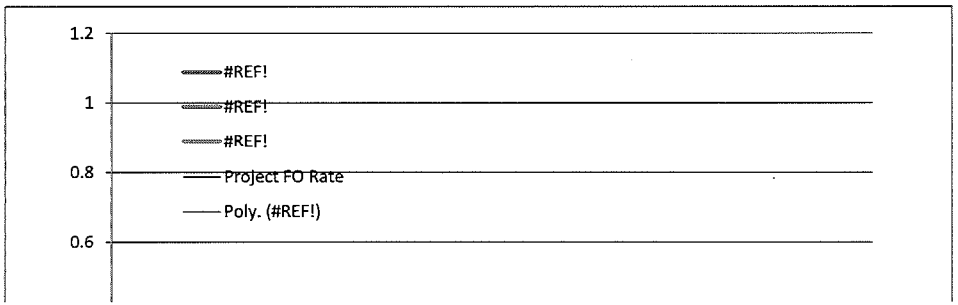
Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probablity	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ YES - 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 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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Director/Manager

Other Party Review signature Margi Stevens

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Exhibit No.___(KKS-5)
Attachment No.__GP-10.2

Printed: 11-05-2014
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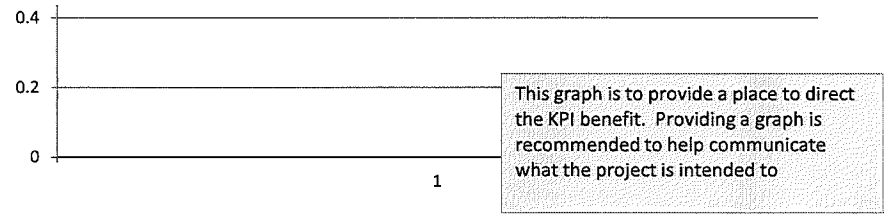

(if necessary) Director/Manager

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	Review Cycles
	2012-2016

	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $20,354[1]

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:

There are no anticipated offsets with this business case.

[1]The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Investment Name:	**Colstrip 3&4 Capital**		
Requested Amount	**Estimated Total Capital Expenditure**	**Assessments:**	
Duration/Timeframe	5+ Year Program	Financial:	10.00%
Dept.., Area:	Power Supply	Strategic:	None
Owner:	Scott Kinney	Business Risk:	Business Risk Reduction - None
Sponsor:	Jason Thackston	Program Risk:	Low certainty around cost, schedule and resources
Category:	Program		
Mandate/Reg. Reference:	n/a	Assessment Score:	29

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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.	These programs are required for contiuned operation of units 3&4	$ 7,420,000	$ -	$ -	0

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	Generally speaking, we can only vote our small share. We do not have the option of unilaterally rejecting the proposed capital projects. We would have to sell our portion of the plant to escape funding these projects.	n/a	$ -	$ -	$ 50,000,000	0
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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2014	$ 7,414,223	$ -	$ -	$ 7,376,833
2015	$ 3,176,850	$ -	$ -	$ 4,121,100
2016	$ 6,054,849	$ -	$ -	$ 8,856,000
2017	$ 7,486,699	$ -	$ -	$ 9,616,800
2018	$ 2,232,750	$ -	$ -	$ 3,669,750
2019	$ -	$ -	$ -	$ 14,173,800

Associated Ers (list all applicable):			
4116			
7130			

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Attachment No.__GP-12.1

AVISTA

Total	$ 26,365,371	$ -	$ -	$ 47,814,283

ER	2014	2015	2016	2017	2018	Total
4116	$ 7,414,223	$ 3,176,850	$ 6,054,849	$ 7,486,699	$ 2,232,750	$ 26,365,371
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
7130	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 7,414,223	$ 3,176,850	$ 6,054,849	$ 7,486,699	$ 2,232,750	$ 26,365,371

Mandate Excerpt (if applicable):

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 by EPA and other regulatory bodies.

Additional Justifications:

These projects are revied individually by PPL and the remaining members of the committee. Joint approval is given only where need and/or shareholder/ratepayer needs meet the proper thresholds.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability: ☑ Low Probability ☐ Medium Probability ☐ High Probablity

Contract Labor: ☐ YES ☑ NO

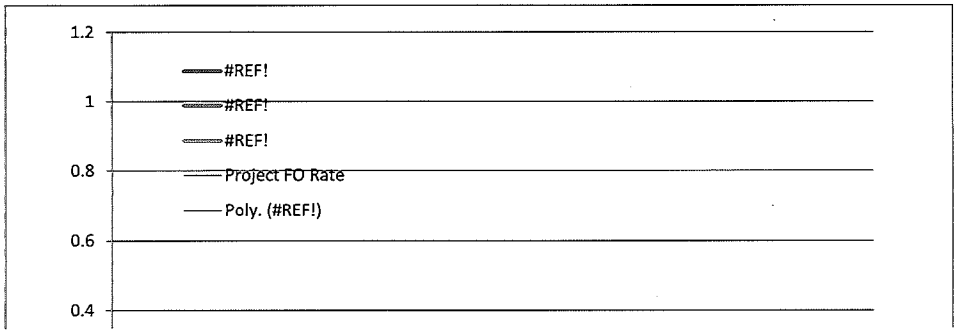
Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Facilities:	☐ YES - attach form	☑ NO or Not Required
Capital Tools:	☐ YES - attach form	☑ NO or Not Required
Fleet:	☐ YES - attach form	☑ NO or Not Required

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 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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Director/Manager

Other Party Review signature Margi Stevens
(if necessary) Director/Manager

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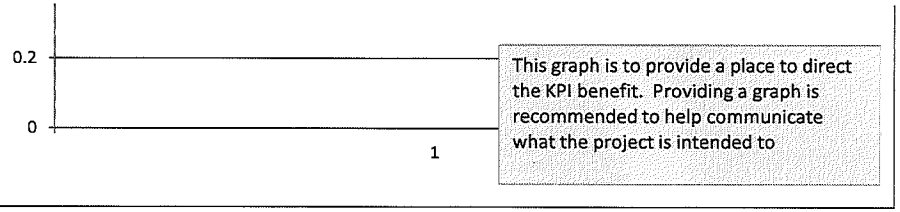


This graph is to provide a place to direct the KPI benefit. Providing a graph is recommended to help communicate what the project is intended to

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	Review Cycles
	2012-2016

	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $1,350[1]

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:
There are no anticipated offsets with this business case.

[1]The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Exhibit No.__(KKS-5)
Attachment No.__GP-14.1

AVISTA

Capital Project Business Case

Investment Name:	Noxon Spare Coils
Requested Amount	Estimated Total Capital Expenditure
Duration/Timeframe	1 Year Project
Dept.., Area:	GPSS
Owner:	Andy Vickers
Sponsor:	Jason Thackston
Category:	Project
Mandate/Reg. Reference:	n/a

Assessments:

Financial:	8.54%
Strategic:	Reliability & Capacity
Business Risk:	Business Risk Reduction >0 and <= 5
Project Risk:	High certainty around cost, schedule and resources
Assessment Score:	88

Recommend Project Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
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 serivce within 11 weeks. Without these spares, the unit would have been out for 9 months or more. Prices for coils supplied under emergency condtions would likely carry a 30% preimium. This project does not include any installation, only replacing stock that we had previously.	describe any incremental changes that this Project would benefit present operations	$ 1,350,000	$ -	$ -	3

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	Should we not have adequate spare coils on hand, we would risk a significanly longer forced outage (at least 6 months) and a much higher cost (30% premium).	n/a	$ 2,100,000	$ -	$ 165,484	4
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	$ -	$ -	$ -	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 applicable)	Describe other options that were considered	describe any incremental changes in operations	$ -	$ -	$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2013	$ -	$ -	$ -	$ -
2014	$ 1,350,000	$ -	$ -	$ 1,350,000
2015	$ -	$ -	$ -	$ -
2016	$ -	$ -	$ -	$ -
2017+	$ -	$ -	$ -	$ -
Total	$ 1,350,000	$ -	$ -	$ 1,350,000

Associated Ers (list all applicable):			

ER	2013	2014	2015	2016	2017+	Total
T8D	$ -	$ 1,350,000	$ -	$ -	$ -	$ 1,350,000
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ 1,350,000	$ -	$ -	$ -	$ 1,350,000

Mandate Excerpt (If applicable):

provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:

After some discussion, it was determined to procure 100 coils in order to have an adequate supply in case of multi coil falures. We had a single point failure and consumed 34 of our spares. It was estimated that if we had two coils failr, we would consume 3X that number and may not have enough to effect repairs as hoped.

Milestones (high level targets)

September-14	Spare Coils Received	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open

Milestones should be general. Use your judgement on project progress so that progress can

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability: ☐ Low Probability ☐ Medium Probability ☐ High Probability
Contract Labor: ☑ YES ☐ NO

Enterprise Tech: ☐ YES - attach form ☑ NO or Not Required
Facilities: ☐ YES - attach form ☑ NO or Not Required

Capital Tools: ☐ YES - attach form ☑ NO or Not Required
Fleet: ☐ YES - attach form ☑ NO or Not Required

Printed 10/4/2013

AVISTA

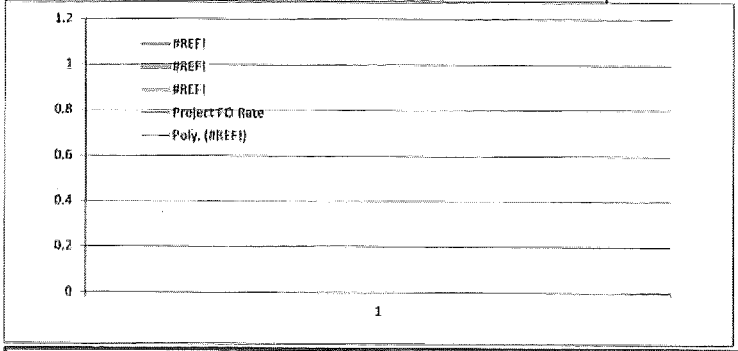
Capital Project Business Case

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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Reviewed signature _____ Director/Manager

Other Party Review signature _____ Director/Manager
(if necessary)

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

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]

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.

[1]The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__GP-15.1

Investment Name:	**Post Fall South Channel Replacement**	**Assessments:**					
Requested Amount	**Estimated Total Capital Expenditure**	Financial:	0.00%				
Duration/Timeframe	3 Year Project	Strategic:	Generating Plant Modernization				
Dept.., Area:	GPSS	Business Risk:	Bussiness Risk Reduction >0 and <= 5				
Owner:	Andy Vickers	Project Risk:	High certainty around cost, schedule and resources				
Sponsor:	Jason Thackston						
Category:	Mandatory						
Mandate/Reg. Reference:	CFR Title 18, Chapter I, Subchapter B, Part 12	Assessment Score:	55	Annual Cost Summary - Increase/(Decrease)			

Recommend Project Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
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 has resulted in an effort to evaluate options. This item 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.	Gate operations would be automated.	$ 11,008,000	$ (5,000)		5

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	We are currently under a FERC Dam Safety directive to correct problems on the existing gates and structure. We have deferred these costs for several years and are in the process of requesting additional delays of mandated work.	n/a	$ -	$ -	$ -	20
Alternative 1: Brief name of alternative (if applicable)	At the time this case is being submitted, no alternatives are known.	describe any incremental changes in operations	$ -	$ -	$ -	5
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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ 63,830	$ -	$ -	$ 63,830
2013	$ 950,000	$ -	$ -	$ 1,119,000
2014	$ 1,920,000	$ -	$ -	$ 6,444,000
2015	$ -	$ -	$ -	$ 1,570,000
2016	$ -	$ -	$ -	$ -
2017	$ -	$ -	$ -	$ -
Total	$ 2,870,000	$ -	$ -	$ 9,133,000

Associated Ers (list all applicable):			
new			

ER	2013	2014	2015	2016	2017	Total
new	$ 960,000	$ 1,950,000	$ -	$ -	$ -	$ 2,910,000
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 960,000	$ 1,950,000	$ -	$ -	$ -	$ 2,910,000

Mandate Excerpt (if applicable):

CFR 18.I.B.Part 12; 2007 FERC Inspection Report, July 10, 2007 Letter to FERC with Plan and Schedule; 2011 FERC Inspection Report and Part 12 Report Recommendation and August 13, 2012 letter to FERC requesting extension

Additional Justifications:

The sequence of correspdondence described above presents the highligts of discussions. This project has also been discussed at numerous meetings and inspections with FERC Dam Safety Inspectors and the FERC Regional Engineer. Expectation of addressing gate structural concerns on this structure are well understood.

Milestones (high level targets)

September-12	Project Kick-Off	December-14	Construction Complete	January-13	open
March-13	Design Basis Complete	March-12	Project Closed Out	January-13	open
July-13	Gate Supply Bids Out	January-13	open	January-13	open
September-13	Gate Supply Awared	January-13	open	January-13	open
January-14	Issue Construction RFP	January-13	open	January-13	open
May-14	Installation Contract Awarded	January-13	open	January-13	open

Milestones should be general. Use your judgement on project progress so that progress can be measured. Provide at least three milestones per year

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability: ☐ Low Probability ☑ Medium Probability ☐ High Probablity
Contract Labor: ☑ YES ☐ NO

Enterprise Tech: ☐ YES - attach form ☑ NO or Not Required
Facilities: ☐ YES - attach form ☑ NO or Not Required

Capital Tools: ☐ YES - attach form ☑ NO or Not Required
Fleet: ☐ YES - attach form ☑ NO or Not Required

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Capital Program Business Case

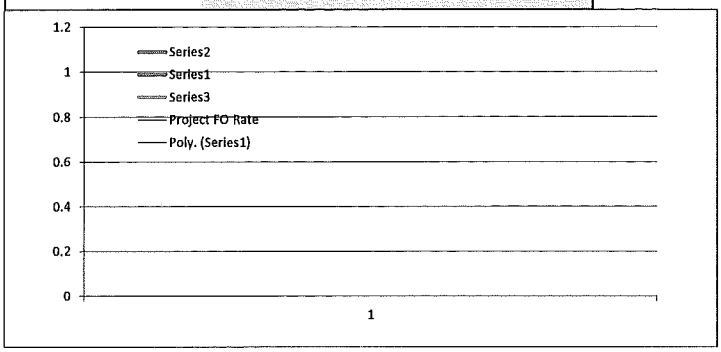
AVISTA

Exhibit No.__(KKS-5)
Attachment No.__GP-15.2

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	FERC Mandate



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Director/Manager

Other Party Review signature Margit Stevens
(if necessary) Director/Manager

Because of the timing of the discovery of the concrete condition, the initial budget estimate was made very quickly within a two week time period which did not allow for much investiagation of what would be needed for the project. 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 single spillgate in place of the current six gates, expecting to reduce construction costs. However, upon further scoping work, it was determined that going to a single gate design would require removal of six post tension anchors that were installed in the 1990's for dam stability. This forced a change in scope to include six gates, increaseing the cost.

Also, the project will now require a cofferdam to facilitate the necessary construction. That along with the access improvements needed to perform the site construction have also increased the cost over the original estimate.

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $10,400[1]

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.

[1]The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__GP-16.1

Investment Name:	**Cabinet Gorge Unit 1 Refurbishment_Rehab**		
Requested Amount	**Estimated Total Capital Expenditure**	**Assessments:**	
Duration/Timeframe	3 Year Project	Financial:	9.24%
Dept.., Area:	GPSS	Strategic:	Generating Plant Modernization
Owner:	Andy Vickers	Business Risk:	Bussiness Risk Reduction >5 and <= 10
Sponsor:	Jason Thackston	Project Risk:	High certainty around cost, schedule and resources
Category:	Project		
Mandate/Reg. Reference:	n/a	Assessment Score:	#NAME?

Recommend Project Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
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 AVR is relatively slow response due to its hyrbid design. It also has no limiters for generator protection. A new system will improve both of these. The machine monitoring is to allow for better analysis of machine condition for this critical unit. New protetive relays are to 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.	Better voltage control and response for blackstart (NERC), predictable rewind timing	$ 11,400,000	$ -	$ -	4

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	The unit will continue to deteriorate, and we will miss the opportunity of being able to run the plant at 3,000cfs, losing considerable flexibility	n/a	$ -	$ 1,550,027	$ -	12
Alternative 1: Install IRIS Monitoring System Only	Most critical is to install a Partial Discharge Monitoring system to better assess the condition of the generator winding to assist in rewind timing. The unit is also in need of rewedge & reinsulation of the field windings	none	$ 949,000	$ 868,026	$ -	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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ 330,000	$ -	$ -	$ -
2013	$ 5,172,658	$ -	$ -	$ 1,300,000
2014	$ 3,394,638	$ -	$ -	$ 5,500,000
2015		$ -	$ -	$ 4,900,000
2016	$ -	$ -	$ -	$ -
2017	$ -	$ -	$ -	$ -
Total	$ 8,567,296	$ -	$ -	$ 11,700,000

Associated Ers (list all applicable):			
none			

ER	2013	2014	2015	2016	2017	Total
none	$ 5,172,658	$ 3,394,638	$ -	$ -	$ -	$ 8,567,296
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 5,172,658	$ 3,394,638	$ -	$ -	$ -	$ 8,567,296

Mandate Excerpt (if applicable):
not applicable

Additional Justifications:
The present AVR is a hybrid design that utilized the rotating exciter equipment. When we perform blackstart testing, the relatively slow response of the AVR system does not allow the unit to maintain a stable voltage output to energize transmission lines and other loads. A new fast response system will remedy this dilema. New Relays, Unit Control System, and other equipment replacements will be performed to update this machine to modern standards.

Milestones (high level targets)

October-12	Project Start	September-13	Discharge Ring installation	January-14	open
November-12	Basis of Design	October-13	Runner delivered to site	November-14	open
December-12	AVR Ordered	November-14	Runner installation	January-15	open
March-13	Monitoring Equipment Ordered	January-14	Installation Completion	April-15	open
July-13	Final Design	March-14	Machine in Service	April-15	open
September-13	Equipment Delivered to Site	Septebmer -14	open	January-13	open

Milestones should be general. Use your judgement on project progress so that progress can be measured. Provide at least three milestones per year

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required	Capital Tools:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☐ YES	☑ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required	Fleet:	☐ YES - attach form	☑ NO or Not Required

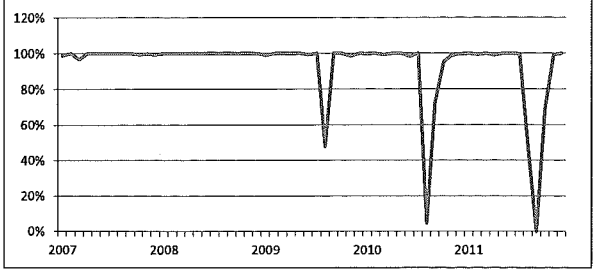
AVISTA

Exhibit No.__(KKS-5)
Attachment No.__GP-16.2

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Unit Aviailability
	Cabinet Unit 1 Availability



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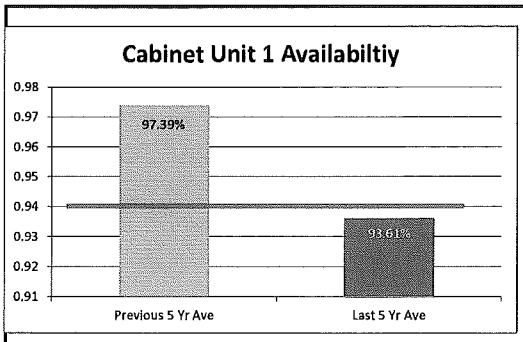
Director/Manager

Other Party Review signature Margie Stevens
(if necessary) Director/Manager



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	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

Functional Group: General

Business Case Name: Capital Tools & Stores Equipment

ER No:	**ER Name:**
7005	Stores Equip
7006	Tools Lab & Shop Equipment
7002	Office Mach & Equipment

Approved Business Case Spend Amount 2014-2016 ($000s - System): $6,570[1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__G-1.1

Investment Name:	**Capital Tools and Stores**		
Requested Amount	**$ 1,821,500**	**Assessments:**	
Duration/Timeframe	Ongoing Year Program	Financial:	MH - >= 9% & <12% CIRR
Dept.., Area:	Supply Chain	Strategic:	Life Cycle Programs
Owner:	Cody Krogh	Operational:	Operations require execution to perform at current levels
Sponsor:	Don Kopcynski	Business Risk:	ERM Reduction >0 and <= 5
Category:	Program	Program Risk:	High certainty around cost, schedule and resources
Mandate/Reg. Reference:	n/a	Assessment Score:	84

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Purchase and repair of tool and facility material handling equipment	Enhances crew efficiency	$ 1,500,000	$ -	$ -	0

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Status Quo :	Describe the current condition of the asset(s) and problems that need to be corrected	n/a	$ -	$ -	$ -	0
Alternative 1: Repair all tools	Increased labor to repair failed tools, increased cost to have outside repairs performed (not all tools can be repaired), delayed response by crews, reduced crew efficiency, increased labor to find/rent tools and equipment, safety concerns for not having appropriate equipment to perform craft work (meter	n/a	$ -	$ 1,141,606	$ -	0
	(meter testing, metering equipment, specialized cable splicing, leak detection, utility locating equipment, reduction of safety related equipment, etc.)					
Alternative 1: Rent Forklifts	Increased rental expense & labor to "Other" budget shifting 95% of costs to CAP loading, 5% to O&M		$ 665,000	$ 35,000	$ -	0

Program Cash Flows

5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
2013	$ 1,500,000	$ -	$ -	$ 775,000
2014	$ 1,575,000	$ -	$ -	$ 1,821,500
2015	$ 1,653,750	$ -	$ -	$ 2,348,325
2016	$ 1,736,438	$ -	$ -	$ 2,400,000
2017	$ 1,823,259	$ -	$ -	$ 2,400,000
2018	$ -	$ -	$ -	$ 2,400,000
2019	$ -	$ -	$ -	$ 2,400,000
Total	$ 8,288,447	$ -	$ -	$ 14,544,825

Associated Ers (list all applicable):

2013		2014			
7006	1500000	7006	$ 1,307,007		
		7005	514493		

Mandate Excerpt (if applicable):

N/A

Additional Justifications:

Increased budget 2014-2017 amount by 5% to account for inflation

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probablity	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☐ YES	☑ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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).

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__G-1.2

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Tool Repair as a percentage of tool purchases
	Fill in the name of the KPI here

Prepared signature _____

Reviewed signature _____
Director/Manager

Other Party Review signature Margie Stevens
(if necessary) 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	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__G-2

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $12,500[1]

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.

Capital Investment Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__G-2.1

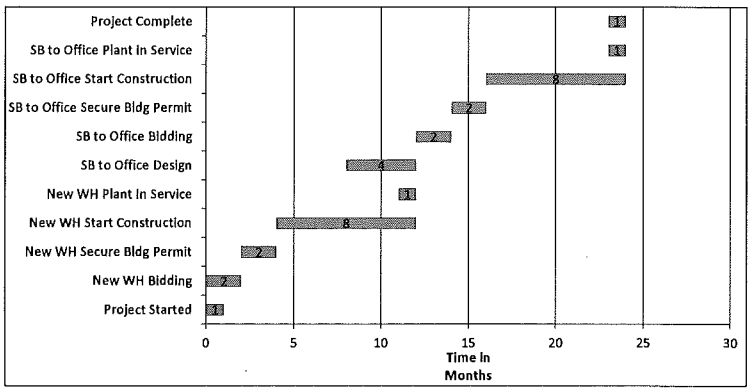
Investment Name:	**COF Long-Term Restructuring Plan**
Requested Amount	**$23,450,000**
Duration/Timeframe	5 Year Project
Dept.., Area:	Facilities
Owner:	Mike Broemling & Eric Bowles
Sponsor:	Don Kopczynski
Category:	Project
Mandate/Reg. Reference:	n/a

Assessments:	
Financial:	High - Exceeds 12% CIRR
Strategic:	Other
Operational:	Operations improved beyond current levels
Business Risk:	ERM Reduction >0 and <= 5
Project/Program Risk:	High certainty around cost, schedule and resources
Assessment Score:	100.5

Recommend Project Description:	**Performance**	**Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**ERM Risk Score**
Construct a new warehouse in 2012 and remodel the old warehouse in the Service Bldg to accommodate 110 work stations in 2013. Also add 125 parking spaces. New warehouse shall utilize current material handling technologies to increase employee efficiencies, and its height will allow for more material to be stored per SF, thus using our limited SF here at the COF more efficiently. Provide IS/IT infrastructure and networking in north half of the COF where it is currently non-existent, in anticipation of future projects. This project will also allow the HVAC rennovation 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. PLEASE SEE ADDITIONAL EFFICIENCIES UNDER "ADDITIONAL JUSTIFICATIONS" BELOW. The CIRR is 12.5%-16.0% excluding the HVAC savings and any other facility sales or cessation of rentals.	Alleviates current space issues by creating on-site office space and parking to house employees and contractors	$ 23,450,000	$ -	$ (1,200,000)	3

Alternatives:		**Performance**	**Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**ERM Risk Score**
Status Quo :	COF will continue to not have enough office space and parking to accommodate demand. Continue to obtain more leases, buy buildings, or buy land and construct buildings to house our employees.	n/a	$ -	$ -	$ -	6
Alternative 1: Construct a new warehouse (recommended option)	See Project Description above.	Alleviates current space issues & new warehouse	$ 9,500,000	$ -	$ (1,200,000)	3
Alternative 2: General Office Building 'wing' addition and parking garage	Construct a parking garage and an addition to the existing building on the west end (156 workstations and 120 parking spaces). No new warehouse bldg or warehouse efficiency gains.	Alleviates current space issues	$ 30,000,000	$ -	$ -	3
Alternative 3 Name : Ross Court Office Building and Parking Lot	Construct a new office building at the Ross Court location in addition to parking spaces (240 workstations and 151 parking spaces). No new warehouse bldg or warehouse efficiency gains.	Alleviates current space issues	$ 15,000,000	$ -	$ -	3

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	$ -	$ -	$ 23,450,000

Milestones (high level targets)

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 & Spo Const. Remodel: In Service		

Associated Ers (list all applicable):	7126							
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.

Printed 11-05-2014
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Capital Investment Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__G-2.2

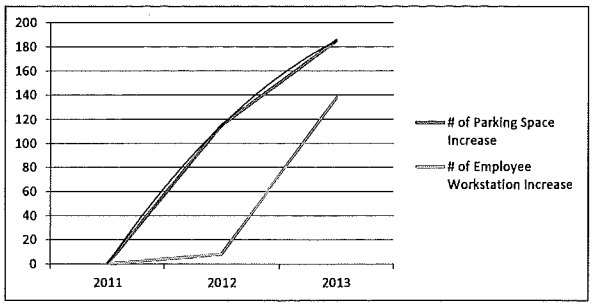
Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☑ YES - attach form	☐ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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



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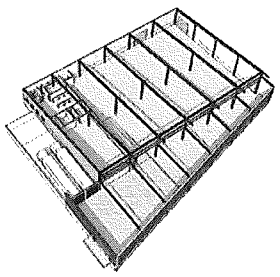
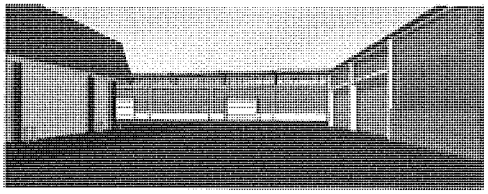
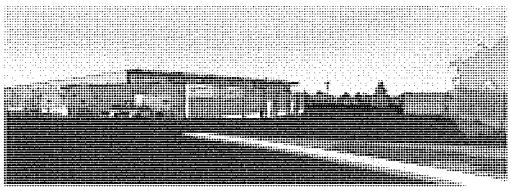
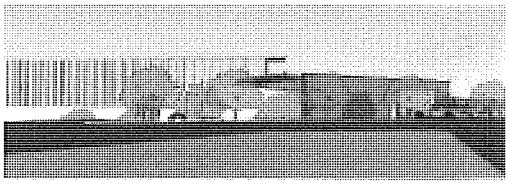
Director/Manager

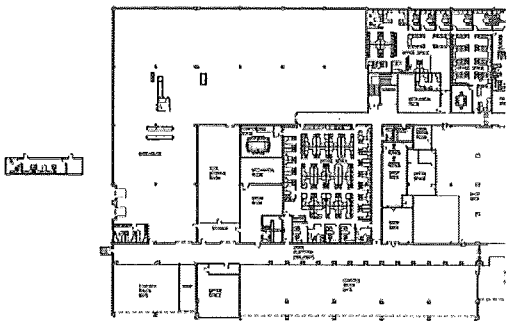
Other Party Review (if necessary) signature Margie Stevens
Director/Manager

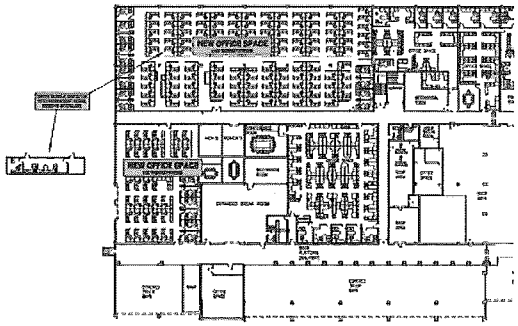












To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $11,633[1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__G-4.1

Investment Name:	**Structures and Improvements and Furniture**
Requested Amount	**$25,773,300**
Duration/Timeframe	7 Year Program
Dept.., Area:	Facilities
Owner:	Mike Broemling & Eric Bowles
Sponsor:	Don Kopczynski
Category:	Program
Mandate/Reg. Reference:	n/a

Assessments:	
Financial:	MH - >= 9% & <12% CIRR
Strategic:	Life Cycle Programs
Operational:	Operations require execution to perform at current levels
Business Risk:	ERM Reduction >0 and <= 5
Program Risk:	High certainty around cost, schedule and resources
Assessment Score:	84

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease)** Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program would be responsible for the Capital Maintenance, Improvements, and Furniture budgets at 50 plus Avista Offices and Service Centers (over 700,000 sf total). Many of the included Service Centers were built in the 50's and 60's and are starting to show signs of severe aging. The program would include Capital projects in all construction disciplines (Roofing, Asphalt, Electrical, Plumbing, HVAC, Energy efficiency projects etc..). This program would be 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.	Improve operating functionality, increased safety, increased energy efficiency.	$ 25,773,300		$ -	0

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease)** Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo :	We are experiencing severe issues with Asphalt Parking, Roof leaking, Energy loss due to inefficient HVAC systems, Low E glass, lack of building insulation, etc... Failure to maintain or replace these system can result in excessive Utility bills, increased damage to other adjacent systems, (example roof leak), as well as increased safety liability (sidewalk heaving and potholes) etc...	n/a	$ -	$ -	$ -	0
Alternative 1: Brief name of alternative (if applicable)	Reducing Capital repair and replacements would drive up O & M costs respectively. This would also increase the risk for unplanned major failures which could also incur additional productivity costs for other departments affected (example major HVAC shutdown).	lower capital would drive up O&M and risk major failure	$ -	$ -	$ -	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

Program Cash Flows
5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
2012	$ 4,820,000	$ -	$ -	$ 4,420,000
2013	$ 4,000,000	$ -	$ -	$ 3,600,000
2014	$ 4,000,000	$ -	$ -	$ 3,433,300
2015	$ 4,000,000	$ -	$ -	$ 4,600,000
2016	$ 4,000,000	$ -	$ -	$ 3,600,000
2017	$ -	$ -	$ -	$ 3,600,000
2018	$ -	$ -	$ -	$ 3,600,000
2019	$ -	$ -	$ -	$ 3,600,000
Total	$ 20,820,000	$ -	$ -	$ 30,453,300

Associated Ers (list all applicable):

Current ER	7001	7003		

Mandate Excerpt (if applicable):
provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:
With the completion of the Facilities Survey in May 2011, we now have the ability to rate the condition of each of our service centers which in turn helps us allocate money to where it is needed most. We are also working on creating a long range lifecycle plan to identify when continued maintenance is no longer prudent and replacement is a more cost effective solution. In addition, the office furniture budget is included in this program and can support various office remodels, chair and furniture replacements, furniture layout remodels, modular wall systems, and new furniture for misc. projects.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☑ Medium Probability	☐ High Probablity	Enterprise Tech:	☑ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☑ YES - attach form	☐ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ YES - attach form	☑ NO or Not Required

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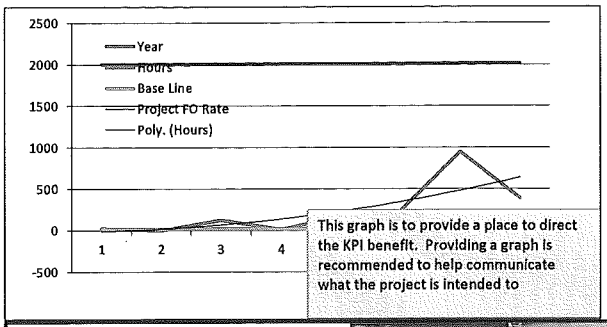
AVISTA

Exhibit No.__(KKS-5)
Attachment No.__G-4.2

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



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

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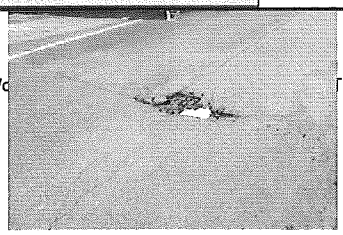
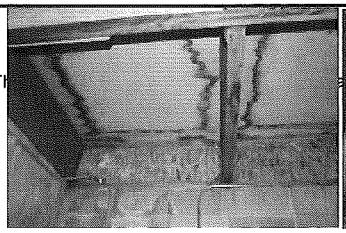
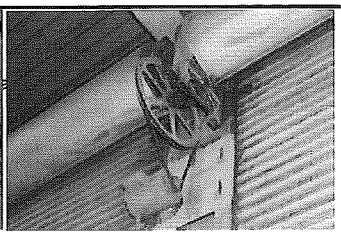
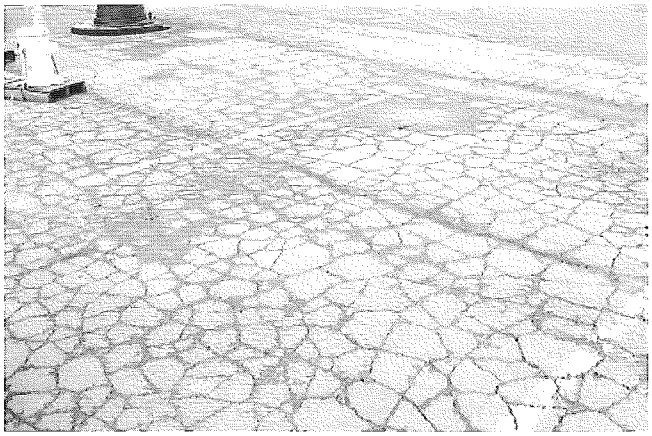
Reviewed signature
Director/Manager

Other Party Review signature Maggie Stevens
(if necessary) Director/Manager

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

AVISTA

Investment Name:	Energy Storage Pullman		
Requested Amount	$ 3,800,000	Assessments:	
Duration/Timeframe	3 2014-2016	Financial:	-2.60%
Dept., Area:	Engineering	Strategic:	Reliability & Capacity
Owner:	Heather Rosentrater	Business Risk:	Business Risk Reduction - None
Sponsor:	Dennis Vermillion	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Productivity		
Mandate/Reg. Reference:	n/a	Assessment Score:	22

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Avista has a strong interest in the use of battery technology as a means for augmenting the 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 contrainers), 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. The project, as specified, is only possible as a result of the matching funds made available by the Department of Commerce grant opportunity.	Intended to create an energy storage framework for future deloyment and test technology and valuation	$ 3,900,000	$ 84,000	$ -	0

Alternatives:		Performance	Annual Cost Summary - I… Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Describe the current condition of the asset(s) and problems that need to be corrected	n/a	$ -	$ -	$ -	0
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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2013	$ -	$ -	$ -	$ -
2014	$ 1,000,000	$ -	$ -	$ 3,500,000
2015	$ 2,500,000	$ 45,000	$ -	$ -
2016	$ 300,000	$ 90,000	$ -	$ -
2017	$ -	$ 90,000	$ -	$ -
Total	$ 3,800,000	$ 225,000	$ -	$ -

Associated Ers (list all applicable):			
7060			

ER	2013	2014	2015	2016	2017	Total
7060	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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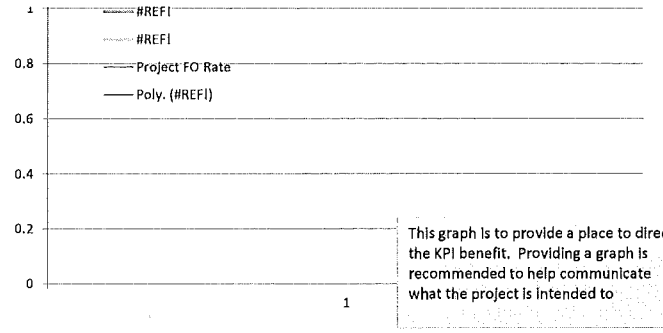
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -	$ -	$ -

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.

AVISTA

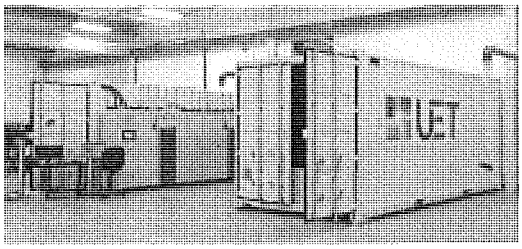


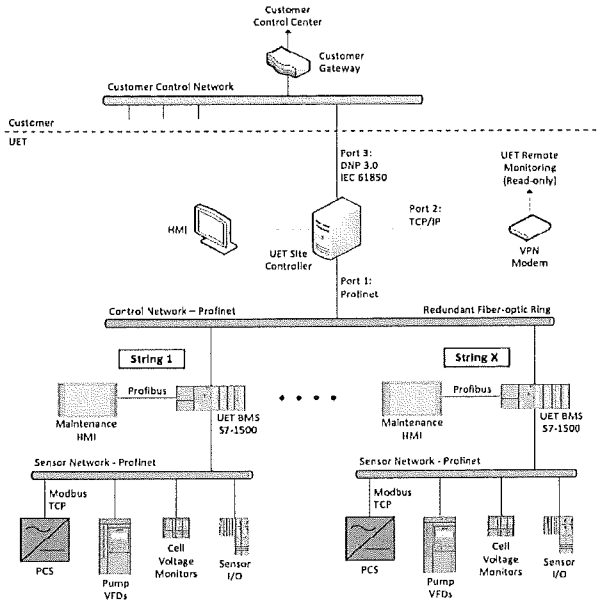
This graph is to provide a place to direct the KPI benefit. Providing a graph is recommended to help communicate what the project is intended to

Reviewed signature _____ Director/Manager

Other Party Review (if necessary) signature Manni Stevens Director/Manager

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





Year	Avoided Cost Capacity $/kW-Yr	Avoided Cost Risk $/kW-Yr	Balancing Ancillary $/kW-Yr	CVR On-Peak $/kW-Yr	CVR Off-Peak $/kW-Yr	Ramping Flex Market $/kW-Yr	Negative Pricing $/kW-Yr	O&M Operations $/kW-Yr	Energy Energy $/kW-Yr	Energy Capacity $/kW-Yr	Energy Risk $/kW-Yr	Totals
2014	$ -00	$ -00	$ 15.38	$ 9.46	$ 15.43	$ -00	$ 6.60	$ 2.06	$ 10.34	$ 00	$ 00	$ 59,061.60
2015	$ -00	$ 00	$ 15.46	$ 9.64	$ 15.71	$ -00	$ 6.65	$ 2.09	$ 10.60	$ 00	$ 00	$ 63,547.96
2016	$ 00	$ 00	$ 15.74	$ 9.81	$ 16.00	$ 14.94	$ 13.67	$ 2.13	$ 11.50	$ -00	$ 00	$ 85,274.73
2017	$ -00	$ 00	$ 16.02	$ 9.99	$ 16.28	$ 15.20	$ 14.11	$ 2.17	$ 11.78	$ 00	$ 00	$ 83,161.91
2018	$ 00	$ 00	$ 16.30	$ 10.17	$ 16.58	$ 15.48	$ 14.17	$ 2.21	$ 12.06	$ 00	$ 00	$ 92,181.65
2019	$ 00	$ 00	$ 16.62	$ 10.36	$ 16.89	$ 15.76	$ 14.64	$ 2.25	$ 12.36	$ 00	$ 00	$ 89,273.54
2020	$ 122.13	$ 4.63	$ 16.91	$ 10.54	$ 17.19	$ 16.04	$ 14.96	$ 2.29	$ 13.74	$ 5.05	$ 0.13	$ 223,531.79
2021	$ 127.13	$ 4.82	$ 17.22	$ 10.73	$ 17.50	$ 16.33	$ 15.17	$ 2.33	$ 14.57	$ 5.26	$ 0.20	$ 231,297.99
2022	$ 132.33	$ 5.01	$ 17.52	$ 10.92	$ 17.81	$ 16.62	$ 15.44	$ 2.37	$ 15.35	$ 5.47	$ 0.20	$ 239,019.28
2023	$ 137.73	$ 5.20	$ 17.83	$ 11.11	$ 18.12	$ 16.91	$ 15.72	$ 2.42	$ 16.28	$ 5.69	$ 0.21	$ 247,107.55
2024	$ 143.33	$ 5.42	$ 18.13	$ 11.30	$ 18.42	$ 17.20	$ 15.99	$ 2.46	$ 16.53	$ 5.93	$ 0.22	$ 254,549.62
2025	$ 149.19	$ 5.63	$ 18.48	$ 11.50	$ 18.78	$ 17.49	$ 16.25	$ 2.50	$ 16.45	$ 6.17	$ 0.23	$ 262,473.56
2026	$ 155.29	$ 5.82	$ 18.76	$ 11.70	$ 19.07	$ 17.83	$ 16.53	$ 2.54	$ 17.35	$ 6.42	$ 0.24	$ 271,354.43
2027	$ 161.50	$ 6.10	$ 19.09	$ 11.90	$ 19.43	$ 18.11	$ 16.82	$ 2.59	$ 17.79	$ 6.68	$ 0.25	$ 280,230.07
11 Year Totals												$ 2,474,580.44
2028	$ 168.10	$ 6.30	$ 19.44	$ 12.31	$ 19.75	$ 18.44	$ 17.12	$ 2.64	$ 18.55	$ 6.95	$ 0.26	$ 289,653.94
2029	$ 174.90	$ 6.60	$ 19.79	$ 12.34	$ 20.11	$ 18.77	$ 17.43	$ 2.68	$ 19.31	$ 7.23	$ 0.27	$ 299,403.74
2030	$ 182.13	$ 6.80	$ 20.15	$ 12.56	$ 20.48	$ 19.11	$ 17.75	$ 2.73	$ 20.46	$ 7.53	$ 0.28	$ 309,242.62
2031	$ 189.59	$ 7.10	$ 20.51	$ 12.78	$ 20.84	$ 19.45	$ 18.06	$ 2.78	$ 21.01	$ 7.84	$ 0.29	$ 320,267.02
2032	$ 197.29	$ 7.40	$ 20.87	$ 13.01	$ 21.21	$ 19.79	$ 18.38	$ 2.83	$ 21.84	$ 8.16	$ 0.30	$ 331,023.45
2033	$ 205.23	$ 7.70	$ 21.24	$ 13.24	$ 21.59	$ 20.15	$ 18.71	$ 2.88	$ 22.32	$ 8.47	$ 0.32	$ 341,336.24
10 Year Totals												$ 4,565,599.45

Confidential Information – Proprietary to UET

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__G-6.1

Investment Name:	Apprentice/Craft Trng
Requested Amount	$60,000
Duration/Timeframe	10 Year Program
Dept.., Area:	Apprentice/Craft Training
Owner:	Linda Jones
Sponsor:	Karen Feltes
Category:	Mandatory
Mandate/Reg. Reference:	296-05 WAC & Chpt 49 04 RCW

Assessments:

Financial:	7.00%
Strategic:	Performance Excellence
Business Risk:	Business Risk Reduction >0 and <= 5
Program Risk:	High certainty around cost, schedule and resources
Assessment Score:	#NAME?

Recommend Program Description:

"This program is for on-going capital improvements to support the essential skills needed for journey 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. The program is for capital infrastructure needed to create an effective set-up for training craft employees. Capital expenditures under this program could 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 canopy, classrooms, backhoes and other equipment, build out of "Safe City"- commercial and residential building replicas, and distribution, transmission, smart grid, metering, gas and substation infrastructure. "

	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
	describe any incremental changes that this Program would benefit present operations	$ 60,000	$ -	$ -	2

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Without ability to train in-house, critical craft positions would be difficult to fill. Also, regulating bodies may de-certify our Apprentice program. Inability to train in-house may require extensive travel to fulfill our training obligations to maintain required skillsets.	n/a	$ -	$ 20,000	$ -	6
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	$ -	$ -	$ -	2
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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2013	$ 60,000	$ -	$ -	$ 60,000
2014	$ 60,000	$ -	$ -	$ 60,000
2015	$ 60,000	$ -	$ -	$ 60,000
2016	$ 60,000	$ -	$ -	$ 60,000
2017	$ 60,000	$ -	$ -	$ 60,000
2018				$ 60,000
2019	$ -	$ -	$ -	$ 60,000
Total	$ 300,000	$ -	$ -	$ 420,000

Associated Ers (list all applicable):

ER	2013	2014	2015	2016	2017	Total
7200	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 300,000
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 60,000	$ 300,000

Mandate Excerpt (if applicable):

See Below

Additional Justifications:

The proper training of apprentices is governed by the Washington State Apprenticeship Rules and Act (Chpt 296-05 WAC & Chpt 49 04 RCW) as well as numerous other Washington State Labor and Industries WAC/RCW regulations. And by the Federal Department of Labor under Apprentice Labor Standards 29 CFR Part 29 and the Fitzgerald Act-National Apprenticeship Act and other DOL regulations and rules. Compliance/safety training for journey workers is mandated by multiple rules/regulations at the federal level via OSHA and at the state level by WISHA.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☐ YES	☑ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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 commitment).

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

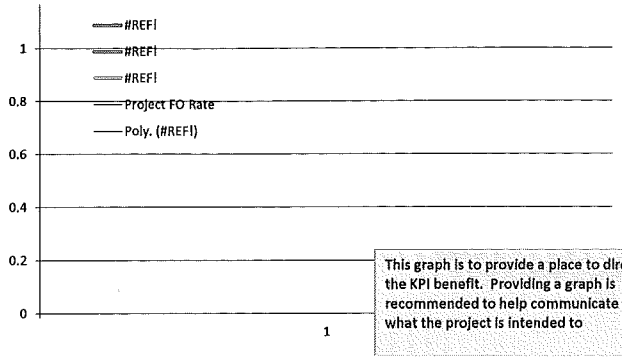
1.2

Prepared N Thorson

Printed 11-05-2014
C:\Users\vff9457\Desktop\Business Cases\Apprentice Training

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__G-6.2



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

Reviewed signature _____ Director/Manager

Other Party Review signature Maggie Stevens
(if necessary) 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	**Review Cycles** 2012-2016	
	Date	**Template**

Exhibit No.__(KKS-5)
Attachment No.__G-7

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]

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.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case

AVISTA

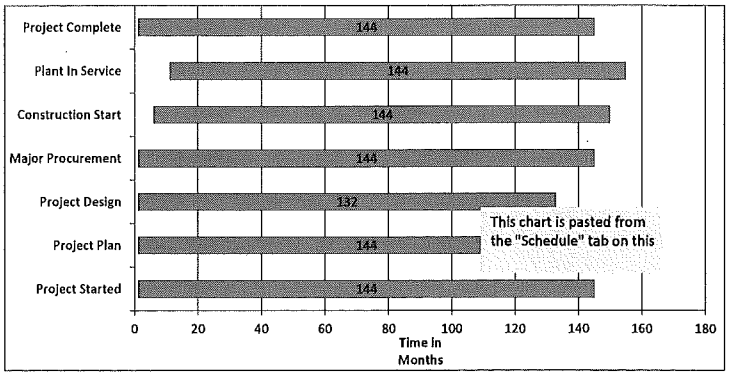
Investment Name:	**HVAC Renovation Project**
Requested Amount	**$39,804,485**
Duration/Timeframe	8 Year Project
Dept.., Area:	Facilities Mangement
Owner:	Mike Broemling & Eric Bowles
Sponsor:	Don Kopczynski
Category:	Project
Mandate/Reg. Reference:	n/a

Assessments:	
Financial:	MH - >= 9% & <12% CIRR
Strategic:	Life Cycle Programs
Operational:	Operations improved beyond current levels
Business Risk:	ERM Reduction >0 and <= 5
Project/Program Risk:	High certainty around cost, schedule and resources
Assessment Score:	105

Recommend Project Description:	**Performance**	**Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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 Contruction 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.	This Project greatly improves air quality in the Facility and saves tremendous amounts of energy going forward.	$ 39,804,485	$ -	$ -	0

Alternatives:		**Performance**	**Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Status Quo :	The current condition of the HVAC system is very poor. It is 60 years old and our newest equipment was installed in the new addition of the General Office Building in 1978. 75% of our equipment was installed in 1956. Parts are no longer available for our equipment and replacement parts have to be manufactured.	n/a	Varies, but in the hundreds of thousands as equip. breaks down.	$ 25,000	$ -	0
Alternative 1: Brief name of alternative (if applicable)	During the Design Phase which occurred in 2008, several different types of HVAC delivery systems were compared and analyzed for distinct characteristics. Initial cost and life cycle cost were evaluated for the Project. By Value engineering our choices we were able to settle on our current system. Analysis is attached.	Updated municipal codes required us to increase air flow in the	$ -	$ -	$ -	0
Alternative 2: Brief name of alternative (if applicable)	The only option that was discussed was to do "nothing", and maintain our 60 year old equipment. This scenario had been in place for the last 20 years, and time finally expired on the equipment. It is simply impractical to try to keep antiqudated equipment up and running 24 hours a day when the replacement parts are no longer available.	describe any incremental changes in operations	Varies, but in the hundreds of thousands as equip. breaks down.	$ 25,000	$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in	$ -	$ -	$ -	0

Timeline



Construction Cash Flows (CWIP)

	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

Milestones (high level targets)

October-07	5th Flr Start Const.	Jun-11	2nd Flr Start Const.
December-08	5th Flr In Service	Oct-12	2nd Flr In Service
March-09	4th Flr Start Const.	Jan-13	1st Flr/Bsmt Start Const.
February-10	4th Flr In Service	Mar-14	1st Flr/Bsmt In Service
May-10	3rd Flr Start Const.	Apr-14	70's Addition Start Const.
Mar-11	3rd Flr In Service	Jun-15	70's Addition In Service

Associated Ers (list all applicable):	Current ER	7101	7001	7003	7050			

Mandate Excerpt (if applicable): 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 and approvals attached)*

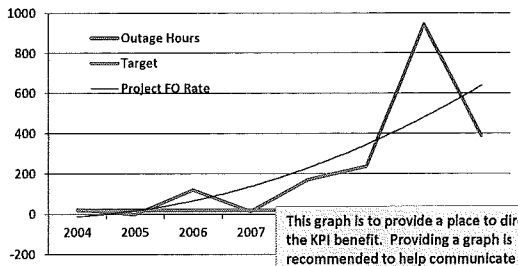
Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☑ YES - attach form	☐ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☑ YES - attach form	☐ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ YES - 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 Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	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

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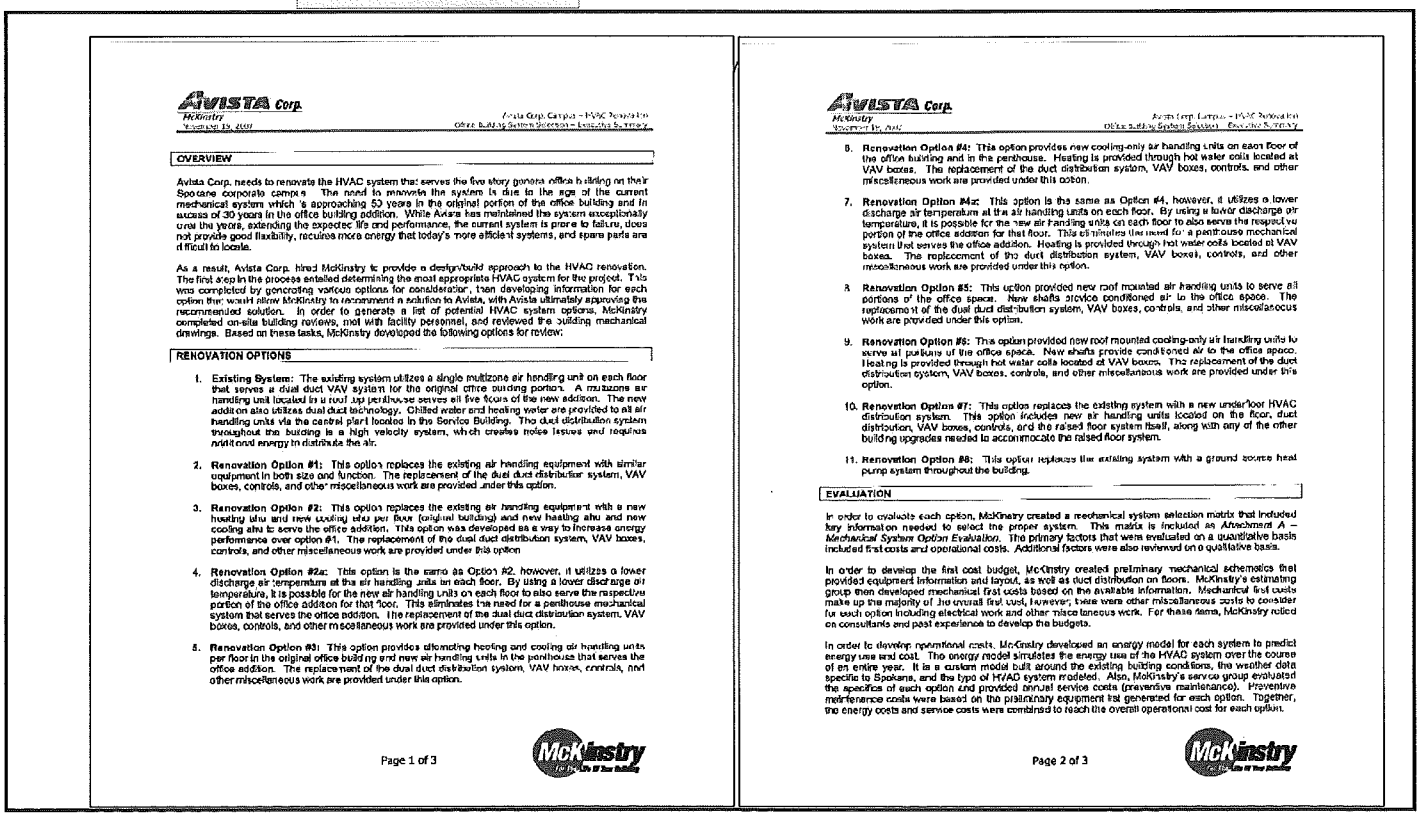
Reviewed signature
Director/Manager

Other Party Review (if necessary) signature Maggi Stevens
Director/Manager



AVISTA Corp.
McKinstry
Avista Corp. Campus - HVAC Renovation
Office Building System Selection - Executive Summary

OVERVIEW

Avista Corp. needs to renovate the HVAC system that serves the five story general office building on their Spokane corporate campus. The need to renovate the system is due to the age of the current mechanical system which is approaching 50 years in the original portion of the office building and in excess of 30 years in the office building addition. While Avista has maintained the system exceptionally over the years, extending the expected life and performance, the current system is prone to failure, does not provide good flexibility, requires more energy that today's more efficient systems, and spare parts are difficult to locate.

As a result, Avista Corp. hired McKinstry to provide a design/build approach to the HVAC renovation. The first step in the process entailed determining the most appropriate HVAC system for the project. This was completed by generating various options for consideration, then developing information for each option that would allow McKinstry to recommend a solution to Avista, with Avista ultimately approving the recommended solution. In order to generate a list of potential HVAC system options, McKinstry completed on-site building reviews, met with facility personnel, and reviewed the building mechanical drawings. Based on these tasks, McKinstry developed the following options for review:

RENOVATION OPTIONS

1. **Existing System:** The existing system utilizes a single multizone air handling unit on each floor that serves a dual duct VAV system for the original office building portion. A multizone air handling unit located in a roof top penthouse serves all five floors of the new addition. The new addition also utilizes dual duct technology. Chilled water and heating water are provided to all air handling units via the central plant located in the Service Building. The duct distribution system throughout the building is a high velocity system, which creates noise issues and requires additional energy to distribute the air.
2. **Renovation Option #1:** This option replaces the existing air handling equipment with similar equipment in both size and function. The replacement of the dual duct distribution system, VAV boxes, controls, and other miscellaneous work are provided under this option.
3. **Renovation Option #2:** This option replaces the existing air handling equipment with a new heating ahu and new cooling ahu per floor (original building) and new heating ahu and new cooling ahu to serve the office addition. This option was developed as a way to increase energy performance over option #1. The replacement of the dual duct distribution system, VAV boxes, controls, and other miscellaneous work are provided under this option.
4. **Renovation Option #2a:** This option is the same as Option #2, however, it utilizes a lower discharge air temperature at the air handling units on each floor. By using a lower discharge air temperature, it is possible for the new air handling units on each floor to also serve the respective portion of the office addition for that floor. This eliminates the need for a penthouse mechanical system that serves the office addition. The replacement of the dual duct distribution system, VAV boxes, controls, and other miscellaneous work are provided under this option.
5. **Renovation Option #3:** This option provides all-existing heating and cooling air handling units per floor in the original office building and new air handling units in the penthouse that serves the office addition. The replacement of the dual duct distribution system, VAV boxes, controls, and other miscellaneous work are provided under this option.

Page 1 of 3

AVISTA Corp.
McKinstry
Avista Corp. Campus - HVAC Renovation
Office Building System Selection - Executive Summary

6. **Renovation Option #4:** This option provides new cooling-only air handling units on each floor of the office building and in the penthouse. Heating is provided through hot water coils located at VAV boxes. The replacement of the duct distribution system, VAV boxes, controls, and other miscellaneous work are provided under this option.
7. **Renovation Option #4a:** This option is the same as Option #4, however, it utilizes a lower discharge air temperature at the air handling units on each floor. By using a lower discharge air temperature, it is possible for the new air handling units on each floor to also serve the respective portion of the office addition for that floor. This eliminates the need for a penthouse mechanical system that serves the office addition. Heating is provided through hot water coils located at VAV boxes. The replacement of the duct distribution system, VAV boxes, controls, and other miscellaneous work are provided under this option.
8. **Renovation Option #5:** This option provided new roof mounted air handling units to serve all portions of the office space. New shafts provide conditioned air to the office space. The replacement of the dual duct distribution system, VAV boxes, controls, and other miscellaneous work are provided under this option.
9. **Renovation Option #6:** This option provided new roof mounted cooling-only air handling units to serve all portions of the office space. New shafts provide conditioned air to the office space. Heating is provided through hot water coils located at VAV boxes. The replacement of the duct distribution system, VAV boxes, controls, and other miscellaneous work are provided under this option.
10. **Renovation Option #7:** This option replaces the existing system with a new underfloor HVAC distribution system. This option includes new air handling units located on the floor, duct distribution, VAV boxes, controls, and the raised floor system itself, along with any of the other building upgrades needed to accommodate the raised floor system.
11. **Renovation Option #8:** This option replaces the existing system with a ground source heat pump system throughout the building.

EVALUATION

In order to evaluate each option, McKinstry created a mechanical system selection matrix that included key information needed to select the proper system. This matrix is included as *Attachment A – Mechanical System Option Evaluation*. The primary factors that were evaluated on a quantitative basis included first costs and operational costs. Additional factors were also reviewed on a qualitative basis.

In order to develop the first cost budget, McKinstry created preliminary mechanical schematics that provided equipment information and layout, as well as duct distribution on floors. McKinstry's estimating group then developed mechanical first costs based on the available information. Mechanical first costs make up the majority of the overall first cost, however, there were other miscellaneous costs to consider for each option including electrical work and other miscellaneous work. For these items, McKinstry relied on consultants and past experience to develop the budgets.

In order to develop operational costs, McKinstry developed an energy model for each system to predict energy use and cost. The energy model simulates the energy use of the HVAC system over the course of an entire year. It is a custom model built around the existing building conditions, the weather data specific to Spokane, and the type of HVAC system modeled. Also, McKinstry's service group evaluated the specifics of each option and provided annual service costs (preventive maintenance). Preventive maintenance costs were based on the preliminary equipment list generated for each option. Together, the energy costs and service costs were combined to reach the overall operational cost for each option.

Page 2 of 3

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]

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.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Project Business Case

Exhibit No.__(KKS-5)
Attachment No.__G-9.1

Investment Name:	**New Deer Park Svc Ctr**		
Requested Amount	**$2,500,000**	**Assessments:**	
Duration/Timeframe	1 year 2015	Financial:	
Dept., Area:	Facilities	Strategic:	Customer Cost Management
Owner:	Mike Broemling	Business Risk:	Business Risk Reduction >0 and <= 5
Sponsor:	Don Kopcyznski	Project Risk:	High certainty around cost, schedule and resources
Category:	Project		
Mandate/Reg. Reference:	n/a	Assessment Score:	54

Recommend Project Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
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.	2 linemen crews shall benefit from increased efficiencies and space	$ 2,500,000	$ 10,000	$ -	4

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	Deer Park is one of our lowest scoring service centers. Continual O&M and capital funding will need to be poured into the building to maintain its usability. Storage yard will eventually become too small for material. Line trucks will remain a tight fit, and in some cases, remain exposed to weather.	n/a	$ 50,000	$ 25,000	$ -	8
Alternative 1: Brief name of alternative (if applicable)	None. Purchasing additional properties and expanding the service center is not an option. Auto junkyard and RR tracks to the west, unknown as to soil contamination and environmental issues. Public streets to north and east. Lot to south small, and city water well supply nearby (contamination?).	describe any incremental changes in operations	$ -	$ -	$ -	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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2013	$ -	$ -	$ -	$ -
2014	$ -	$ -	$ -	$ -
2015	$ 2,500,000	$ -	$ -	$ 2,750,000
2016	$ -	$ -	$ -	$ -
2017+	$ -	$ -	$ -	$ -
Total	$ 2,500,000	$ -	$ -	$ 2,750,000

Associated Ers (list all applicable):			
7001			

ER	2013	2014	2015	2016	2017+	Total
7001	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ 2,500,000	$ -	$ -	$ 2,500,000
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ 2,500,000	$ -	$ -	$ 2,500,000

Mandate Excerpt (if applicable):

Additional Justifications:

Milestones (high level targets)

March-15	Start Construction
November-15	Plant in service

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☑ Low Probability	☐ Medium Probability	☐ High Probablity	Enterprise Tech:	☑ YES - attach form	☐ NO or Not Required	Capital Tools:	☐ YES - attach form	☐ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☑ YES - attach form	☐ NO or Not Required	Fleet:	☐ YES - attach form	☐ NO or Not Required

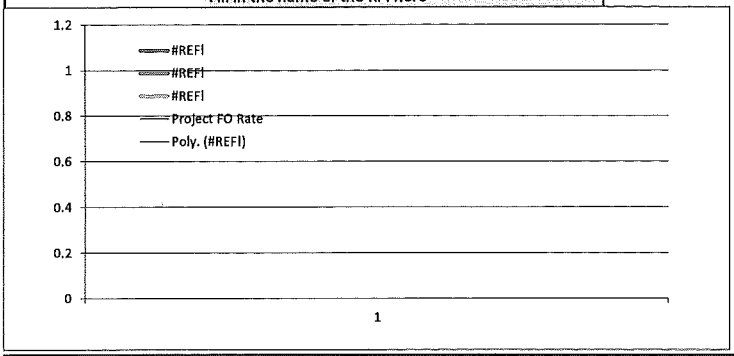
Printed: 11-05-2014
C:\Users\vf09457\Desktop\Business Cases\New Deer Park Svc Ctr

Capital Project Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__G-9.2

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 Vance Ruppert

Reviewed signature Eric Bowles
Director/Manager

Other Party Review signature Maggie Stevens
(if necessary) Director/Manager

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

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__G-10

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]

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.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Project Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__G-10.1

Investment Name:	**COF LngTrm Restruct Ph2**
Requested Amount	**$43,500,000**
Duration/Timeframe	5 Year Project
Dept.., Area:	Facilities
Owner:	Mike Broemling and Eric Bowles
Sponsor:	Don Kopczynski
Category:	Project
Mandate/Reg. Reference:	n/a

Assessments:

Financial:	7.00%
Strategic:	Other
Business Risk:	Business Risk Reduction >10 and <= 15
Project Risk:	High certainty around cost, schedule and resources
Assessment Score:	#NAME?

Recommend Project Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
COF Long Term Restructuring Plan, Phase 2. Increase Mission campus size by purchasing and developing adjacent lots, reroute Crescent Ave. to make one contiguous lot, construct new Fleet / Service Shops Building, convert all of 1950's Service Bldg to Office Space, and increase parking lot size and build 2-story parking structure. By 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 by its dims from our ever enlarging vehicles and line trucks. New garage will allow for maintenance of CNG vehicles, current bldg does not allow this. Once Fleet is moved, a distinct separation b/n Operations / Service vehicles and Administrative Employees and vehicles. 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	State of the art fleet building. Service vehicles contained to north campus. Employee vehicles near main GOB	$ 47,500,000	$ -	$ -	2

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Project:	Employee parking shall overflow into Logan neighborhood. City of Spokane will probably enforce parking regulations if this occurs. Added 5-to-10 minutes walk time from employee cars to desks. All CNG vehicles will have to be maintained at Dollar Road Fleet Bldg, with its extra 15 minute travel time. Continued rental or purchased facilities off site of COF for Avista departments (i.e. call center).	n/a	$ -	$ -	$ -	15
Alternative 1: Brief name of alternative (if applicable)	Build extra parking lot on Ross Court ONLY. Approx. 220 add'l spaces req'd. to offset new employee load. Inconvenient and increased walk times for employees.	describe any incremental changes in operations	$ 2,000,000	$ 20,000	$ -	2
Alternative 2: Brief name of alternative (if applicable)	Build new fleet building off-site. Purchase new lot for construction. Travel times and inefficiencies greatly increased.	describe any incremental changes in operations	$ 7,000,000	$ 20,000	$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	$ -	$ -	$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2013	$ -	$ -	$ -	$ -
2014	$ 500,000	$ -	$ -	$ 590,000
2015	$ 2,000,000	$ -	$ -	$ 1,410,000
2016	$ 3,000,000	$ -	$ -	$ 3,000,000
2017	$ 9,000,000		$ -	$ 9,000,000
2018	$ 14,000,000			$ 14,000,000
2019	$ 15,000,000			$ 15,000,000
Total	$ 43,500,000	$ -	$ -	$ 43,000,000

see note under add'l justification

Associated Ers (list all applicable):			
7126			

ER	2013	2014	2015	2016	2017	Total
7126	$ -	$ 500,000	$ 2,000,000	$ 3,000,000	$ 38,000,000	$ 43,500,000
0	$ -	$ -	$ -	$ -	SEE NOTE	$ -
0	$ -	$ -	$ -	$ -	UNDER ADD'L	$ -
0	$ -	$ -	$ -	$ -	JUSTIFICATIONS	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ 500,000	$ 2,000,000	$ 3,000,000	$ 38,000,000	$ 43,500,000

Mandate Excerpt (if applicable):

provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:

PLEASE NOTE: Request $500K in 2014 (start purchase adjacent lots), $2M in 2015 (finish purchase adjacent lots), $3M in 2016 (start N. Crescent Ave. reroute), $9M in 2017 (finish N. Crescent reroute, start New Service Shops and Fleet Bldg), $14M in 2018 (finish New Service Shops and Fleet Bldg), and $15M in 2019 (Convert Old S. Bldg to Office and new parking garage/lot).

Milestones (high level targets)

April-16	Ross Court parking start constrution
September-16	Ross Court parking in service
January-16	Fleet Bldg Start Construction
December-16	fleet bldg in service
April-17	Park garage & office start const.
May-18	Park garage & office in service
Aug-18	Ross Park convert to office start construction
May-19	Ross Park convert to office in service

Milestones should be general. Use your judgement on project progress so that progress can

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability: ☑ Low Probability ☐ Medium Probability ☐ High Probability
Contract Labor: ☑ YES ☐ NO

Enterprise Tech: ☑ YES - attach form ☐ NO or Not Required
Facilities: ☑ YES - attach form ☐ NO or Not Required

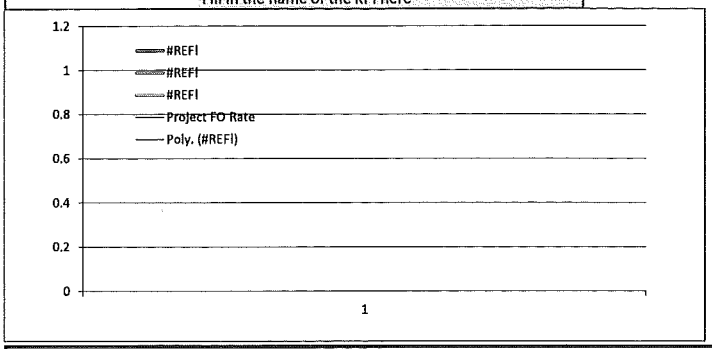
Capital Tools: ☐ YES - attach form ☑ NO or Not Required
Fleet: ☐ YES - attach form ☑ NO or Not Required

AVISTA

Capital Project Business Case

Exhibit No.__(KKS-5)
Attachment No.__G-10.2

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 Vance Ruppert

Reviewed Eric Bowles
Director/Manager

Other Party Review signature Margie Stevens
(if necessary) Director/Manager

PLEASE SEE DRAWINGS ATTACHED TO SHAREPOINT SITE FOR MORE INFO

COF LngTrm Restruct Ph2 REV JULY-14.pdf

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]**

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__NGD-1.1

AVISTA

Investment Name:	Aldyl A Replacement_mains and bending stress	**Assessments:**	
Requested Amount	$16.5MM	Financial:	Medium - >= 5% & <9% CIRR
Duration/Timeframe	20 Year Program	Strategic:	Life Cycle Programs
Dept.., Area:	Gas Delivery	Operational:	Operations require execution to perform at current levels
Owner:	Mike Faulkenberry	Business Risk:	ERM Reduction >5 and <= 10
Sponsor:	Don Kopczynski	Program Risk:	High certainty around cost, schedule and resources
Category:	Program	Assessment Score:	89
Mandate/Reg. Reference:	n/a		

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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. There is a potential harm to the public through damage to life and property and there is a high likelihood of increasing regulatory scrutiny from increasing failures.	As Aldyl A is removed, O&M expense associated with repairing the increasing leaks will be eliminated in proportion	$ 10,250,000	$ -	$ -	5

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	If unfunded, the increasing failures of mains and services is modeled to result in more than 13 catastrophic events in Washington alone. Extended to Idaho and Oregon, the cost of the effects (at a 10% escalation) and increasing expenses for O&M leak repair could total more than $60MM over a 20 year period, an average of $3MM annually.	n/a			$ 3,000,000	15
Alternative 1: Brief name of alternative (if applicable)	20 year replacement program: Replace 37 miles of main and remediate 800 service taps each year, prioritized by DIMP risk modeling. Modeling suggests that if pipe is removed on a first in-first out basis up to 3 catastrophic events could occur over 20 years, however, using a DIMP based approach to remove highest risk facilities first without regard to age only it may be possible to avoid any incidents.	As Aldyl A is removed, O&M expense associated with repairing the increasing leaks will be eliminated in proportion	$ 17,552,196	$ (60,000)	$ -	5
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

Program Cash Flows
5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
2012	$ 5,000,000	$ -	$ -	$ 5,000,000
2013	$ 10,250,000	$ -	$ -	$ 12,710,904
2014	$ 17,552,196	$ -	$ -	$ 16,702,196
2015	$ 17,817,429	$ -	$ -	$ 16,817,429
2016	$ 18,885,272	$ -	$ -	$ 17,385,272
2017	$ -	$ -	$ -	$ 18,262,977
2018	$ -	$ -	$ -	$ 18,648,237
2019	$ -	$ -	$ -	$ 19,062,221
Total	$ 69,504,897	$ -	$ -	$ 124,589,236

2% inflation included in above numbers

Associated Ers (list all applicable):
Current ER

Mandate Excerpt (if applicable):
provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:
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 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.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☑ Low Probability	☐ Medium Probability	☐ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ 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

AVISTA

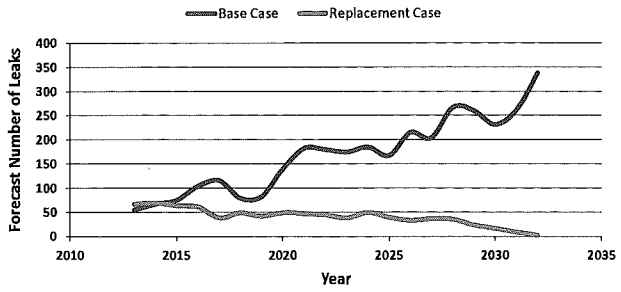
Exhibit No.__(KKS-5)
Attachment No.__NGD-1.2

	☐ YES - attach form		
Fleet:	☐ YES - attach form	☑ NO or Not Required	(this does not require a firm committment).

Exhibit No.__(KKS-5)
Attachment No.__NGD-1.3

AVISTA

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Prevention of leaks and their consequences
	Fill in the name of the KPI here



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Reviewed signature
Director/Manager

r Party Review signature Maryi Stevens
(if necessary) Director/Manager

Business Case	ERM Risk Reduction	Unfunded Raw Score	Revised Risk Raw Score	Unfunded Project/Program Risk (no funding if a project, cease funding if an existing program)					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	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
Aldyl A Replacement (mains & bending stress tees)	15	20	5	Revised Risk if funded/completed					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
				3 - $2MM - $4MM	< Once / 50 years	3 - Could result in a sustained negative impact to local, online, or industrial relationships and / or national / global media coverage	< Once / 50 years		
				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 / 50 years	2 - Potential for minimal or minor injury Lost Time Incident and Severity Rate increases year over year	< Once / 50 years

Budget request for 2014, 2015, and 2016 were revised with updated budget projections based on new models and information.

WA UTC Docket UG-120715 Commission Policy on Accelerated Replacement of Pipeline with Elevated Risk was issued on December 31, 2012. The new policy will include a Cost Recovery Mechanism (CRM) based generally on the mechanism used in Oregon with NWNG.

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]**

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

AVISTA

Investment Name:	Cathodic Protection, Natural Gas		
Requested Amount	$950,000	Assessments:	
Duration/Timeframe	on-going Year Program	Financial:	9.00%
Dept.., Area:	Gas Operations	Strategic:	Reliability & capacity
Owner:	Mike Faulkenberry	Business Risk:	Business Risk Reduction >5 and <= 10
Sponsor:	Don Kopczynski	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Mandatory		
Mandate/Reg. Reference:	49 CFR 192, Subpart I - "Requirements for Corrosi	Assessment Score:	138

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
This annual 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.	describe any incremental changes that this Program would benefit present operations	$ 950,000	$ -	$ -	4

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Avista would be out of compliance in portions of its gas distribution system.	n/a	$ -	$ -	$ -	12
Alternative 1: Project as described above.	Install new and replace existing cathodic protection system.	describe any incremental changes in operations	$ 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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ 500,000	$ -	$ -	$ 500,000
2014	$ 800,000	$ -	$ -	$ 700,000
2015	$ 950,000	$ -	$ -	$ 950,000
2016	$ 1,000,000	$ -	$ -	$ 1,000,000
2017	$ 1,250,000	$ -	$ -	$ 1,250,000
2018	$ 1,250,000	$ -	$ -	$ 1,250,000
2019	$ 1,250,000	$ -	$ -	$ 1,250,000
2020+	$ 1,250,000	$ -	$ -	$ -
Total	$ 8,250,000	$ -	$ -	$ 6,900,000

Associated Ers (list all applicable):			
3004			

ER	2014	2015	2016	2017	2019	Total
3004	$ 950,000	$ 1,000,000	$ 1,250,000	$ 1,250,000	$ 1,250,000	$ 5,700,000
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 950,000	$ 1,000,000	$ 1,250,000	$ 1,250,000	$ 1,250,000	$ 5,700,000

Mandate Excerpt (if applicable):

49 CFR 192.455(a) "Except as provided in paragraphs (b), (c), and (f) of this section, each buried or submerged pipeline installed after July 31, 1971, must be protected against external corrosion, including the following: (2) It must have (cont. below)

Additional Justifications:

a cathodic protection system designed to protect the pipeline in accordance with this subpart, installed and placed in operation within 1 year after completion of construction.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☑ Medium Probability	☐ High Probablity	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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 Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here

1.2

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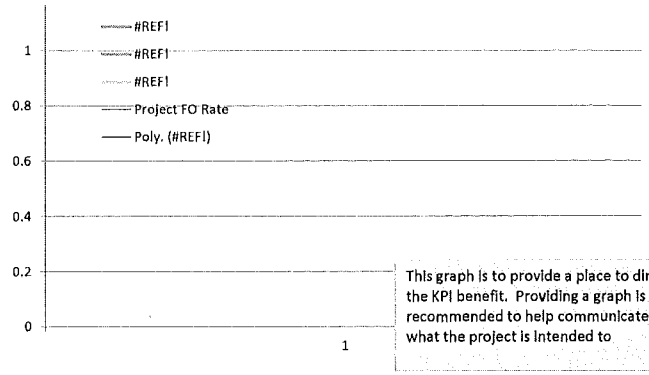
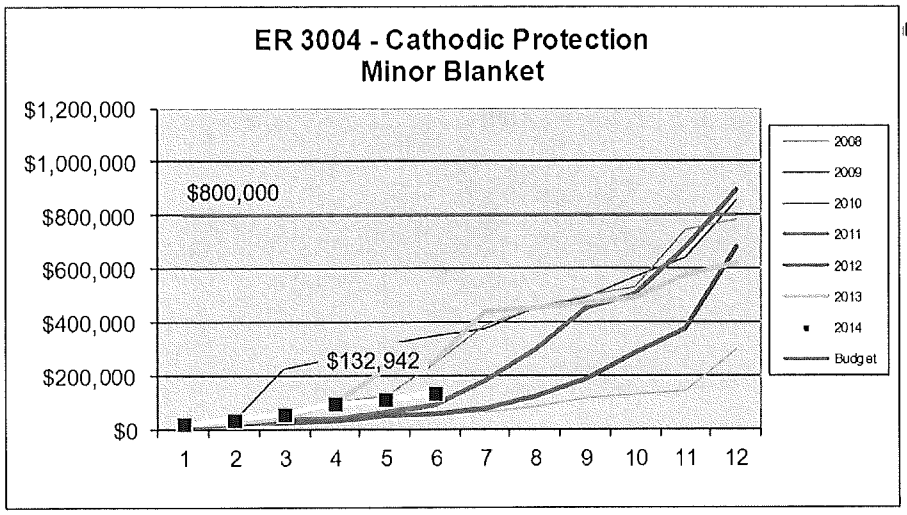
AVISTA



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

Reviewed signature _____ Director/Manager

Other Party Review (if necessary) signature Margi Stevens Director/Manager



lating the Program

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]**

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__NGD-3.1

AVISTA

Investment Name:	Gas Non-Revenue Program
Requested Amount	$5,600,000
Duration/Timeframe	On-Going Year Program
Dept.., Area:	Gas Operations
Owner:	Mike Faulkenberry
Sponsor:	Don Kopczynski
Category:	Program
Mandate/Reg. Reference:	

Assessments:

Financial:	Medium - >= 5% & <9% CIRR
Strategic:	Reliability & Capacity
Operational:	Operations require execution to perform at current levels
Business Risk:	ERM Reduction >10 and <= 15
Program Risk:	Moderate certainty around cost, schedule and resources
Assessment Score:	89

Recommend Program Description:

This annual program will replace sections of existing 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 PMC program will no longer be captured in this Business Case, they will be on the "Gas PMC Program". This results in a $1M reduction in the 2014 budget request; however the historical spend has been high in this category, so the resultant 2014 request is $6,00,000 (total).

	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
	describe any incremental changes that this Program would benefit present operations	$ 5,600,000	$ -	$ -	8

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Avista will be unable to complete capital non-revenue system enhancements	n/a	$ -	$ -	$ -	8
Alternative 1: Brief name of alternative (if applicable)	Complete installation and/or upgrade of non-revenue assets.	n/a	$ 5,600,000	$ -	$ -	2
Alternative 2: Brief name of alternative (if applicable)		n/a	$ -	$ -	$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)		describe any incremental changes in operations	$ -	$ -	$ -	0

Program Cash Flows

5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2012	$ 4,223,000	$ -	$ -	$ 3,823,000
2013	$ 4,349,690	$ -	$ -	$ 7,949,690
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	$ 26,172,690	$ -	$ -	$ 48,372,690

Associated Ers (list all applicable):

Current ER
3005

Mandate Excerpt (if applicable):

Additional Justifications:

The program addresses a number of mandatory projects, at the direction of the commission and/or projects that enhance public safety and system reliability. (Example: Incremental pipe enhancements, replacement of odorization equipment, installation of steel pipe to enhance system cathodic protection, etc.)

Resources Requirements: *(request forms and appravals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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).

Exhibit No.__(KKS-5)
Attachment No.__NGD-3.2

AVISTA

Key Performance Indicator(s)
Expected Performance Improvements
KPI Measure:

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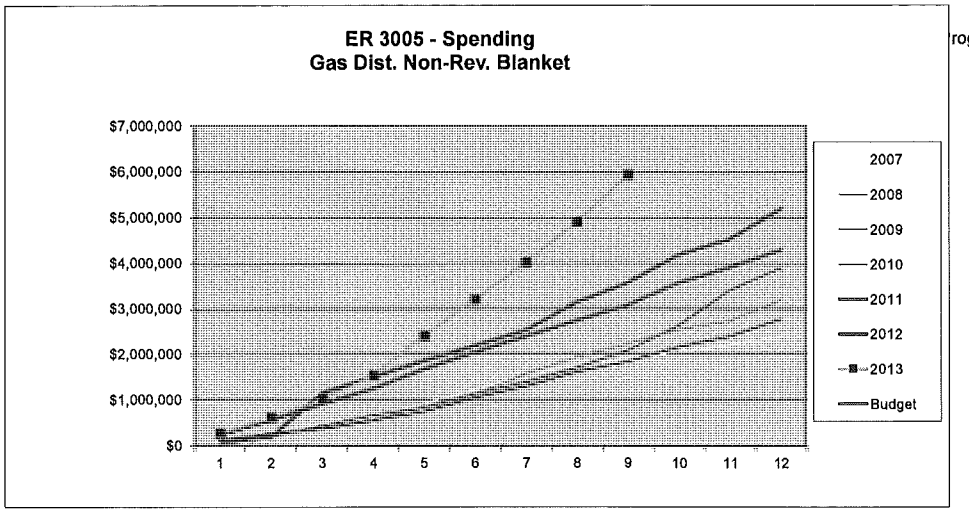
Director/Manager

Other Party Review (if necessary) signature Director/Manager



rogram

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]**

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case

Exhibit No.__(KKS-5)
Attachment No.__NGD-4.1

AVISTA

Investment Name:	**Gas Reinforcement**		
Requested Amount	**$1,000,000**	**Assessments:**	
Duration/Timeframe	On-Going 2012+	Financial:	MH - >= 9% & <12% CIRR
Dept.., Area:	Gas Operations	Strategic:	Reliability & Capacity
Owner:	Mike Faulkenberry	Operational:	Operations not impacted by execution
Sponsor:	Don Kopczynski	Business Risk:	ERM Reduction >10 and <= 15
Category:	Mandatory	Program Risk:	Moderate certainty around cost, schedule and resources
Mandate/Reg. Reference:	WAC 480-90-148(2)(d), IDAPA 31.31.01.151, OR	Assessment Score:	143

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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. The 2013 budget was cut and needs to be increased for 2014+ (to $1,000,000) to ensure adequate capacity that will meet a design day load. Specific ER's may be added to this Business Case as they are defined as Reinforcement Projects.	describe any incremental changes that this Program would benefit present operations	$ 1,050,000	$ -	$ -	4

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Status Quo :	Gas distribution reinforcements are identified on an on-going basis and need to be completed when identified to ensure continuation of reliable service.	n/a		$ -	$ -	16
Alternative 1: Pipe Installation	Capital Pipe Installations - Install additional pipe to reinforce and loop existing gas distribution system to increase system reliability.	Reduced system monitoring during cold	$ 1,000,000		$ -	4
Alternative 2: Uprate Alternative	Distribution System Uprates - Increase the operating pressure of existing gas distribution system to a 60 PSIG MAOP. Uprating gas distribution system will increase the delivery capacity in addition to increases operating efficiency by tying existing distribution system together with similar operating pressures.	Reduction in regulator station maintenance.	$ 50,000	$ 100,000	$ -	4
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	$ -	$ -	$ -	0

Program Cash Flows
2012-2016

	Capital Cost	O&M Cost	Other Costs	Approved Capital
2012	$ 1,050,000	$ -	$ -	$ 800,000
2013	$ 1,050,000	$ -	$ -	$ 1,120,000
2014	$ 1,000,000	$ -	$ -	$ 1,000,000
2015	$ 1,000,000	$ -	$ -	$ 1,000,000
2016	$ 1,000,000	$ -	$ -	$ 1,000,000
2017	$ 800,000	$ -	$ -	$ 800,000
2018	$ 600,000	$ -	$ -	$ 600,000
2019	$ -	$ -	$ -	$ 600,000
Total	$ 6,500,000	$ -	$ -	$ 6,920,000

Associated Ers (list all applicable):

Current ER
3000

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

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__NGD-4.2

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☑ Medium Probability	☐ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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 commitment).

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Cold Weather Related Outages
	Fill in the name of the KPI here

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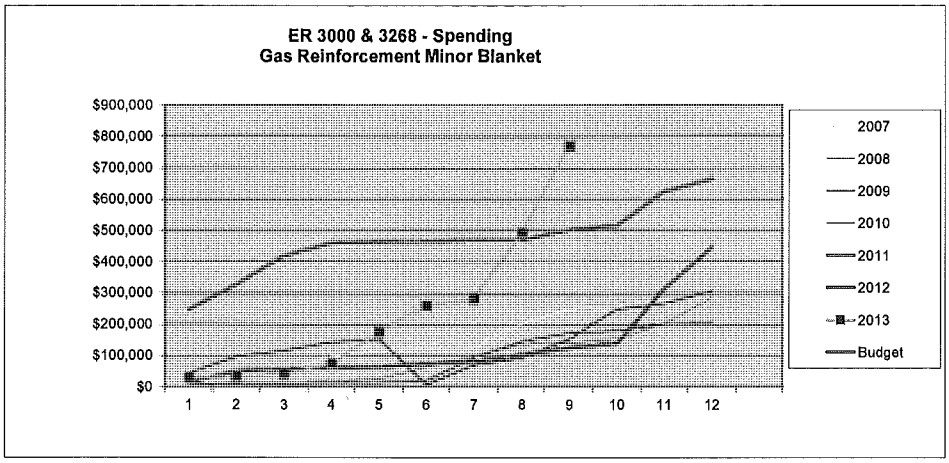
Reviewed signature
Director/Manager

Other Party Review signature Marcy Stevens
(if necessary) Director/Manager



Business Case	ERM Risk Reduction	Status Quo Raw Score	Risk on Completion Raw Score	Status Quo Risk					
				Financial Impact (Consequential 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	Likelihood	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 Completion					
Gas Reinforcement	12	16	4	Financial Impact (Consequential Costs/Revenues)	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 /or 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 - Potential for injury Public health infrastructure impact up to 8 hours	< Once / 50 years	1 - Potential for injury	< Once / 50 years

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]**

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case

Exhibit No.__(KKS-5)
Attachment No.__NGD-5.1

AVISTA

Investment Name:	**Gas Replacement Street and Highway**		
Requested Amount	**$4,500,000**	**Assessments:**	
Duration/Timeframe	On-Going	Financial:	Medium - >= 5% & <9% CIRR
Dept.., Area:	Gas Operations	Strategic:	Other
Owner:	Mike Faulkenberry	Operational:	Operations require execution to perform at current levels
Sponsor:	Don Kopczynski	Business Risk:	ERM Reduction >10 and <= 15
Category:	Mandatory	Program Risk:	Moderate certainty around cost, schedule and resources
Mandate/Reg. Reference:	Franchise Agreements and Permits	Assessment Score:	140

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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 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.	describe any incremental changes that this Program would benefit present operations	$ 4,500,000	$ -	$ -	2

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Status Quo :	Avista would be out of compliance with established franchise agreements and/or permits if work is not completed.	n/a	$ -	$ -	$ -	16
Alternative 1:	Relocate facilities in conflict with street and highway projects where established franchise agreements and/or permits exist.	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
2012-2016

	Capital Cost	O&M Cost	Other Costs	Approved
2012	$ 2,200,000	$ -	$ -	$ 2,200,000
2013	$ 4,500,000	$ -	$ -	$ 4,550,000
2014	$ 4,500,000	$ -	$ -	$ 4,300,000
2015	$ 4,500,000	$ -	$ -	$ 4,500,000
2016	$ 4,500,000	$ -	$ -	$ 4,500,000
2017	$ 4,500,000	$ -	$ -	$ 4,500,000
2018	$ 4,500,000	$ -	$ -	$ 4,500,000
2019	$ -	$ -	$ -	$ 4,500,000
Total	$ 29,200,000	$ -	$ -	$ 33,550,000

Associated Ers (list all applicable):

Current ER				
3003				
3302				
3297				

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.

Additional Justifications:

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

Capital Investment Business Case

Exhibit No.__(KKS-5)
Attachment No.__NGD-5.2

AVISTA

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☑ Medium Probability	☐ High Probablity	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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).

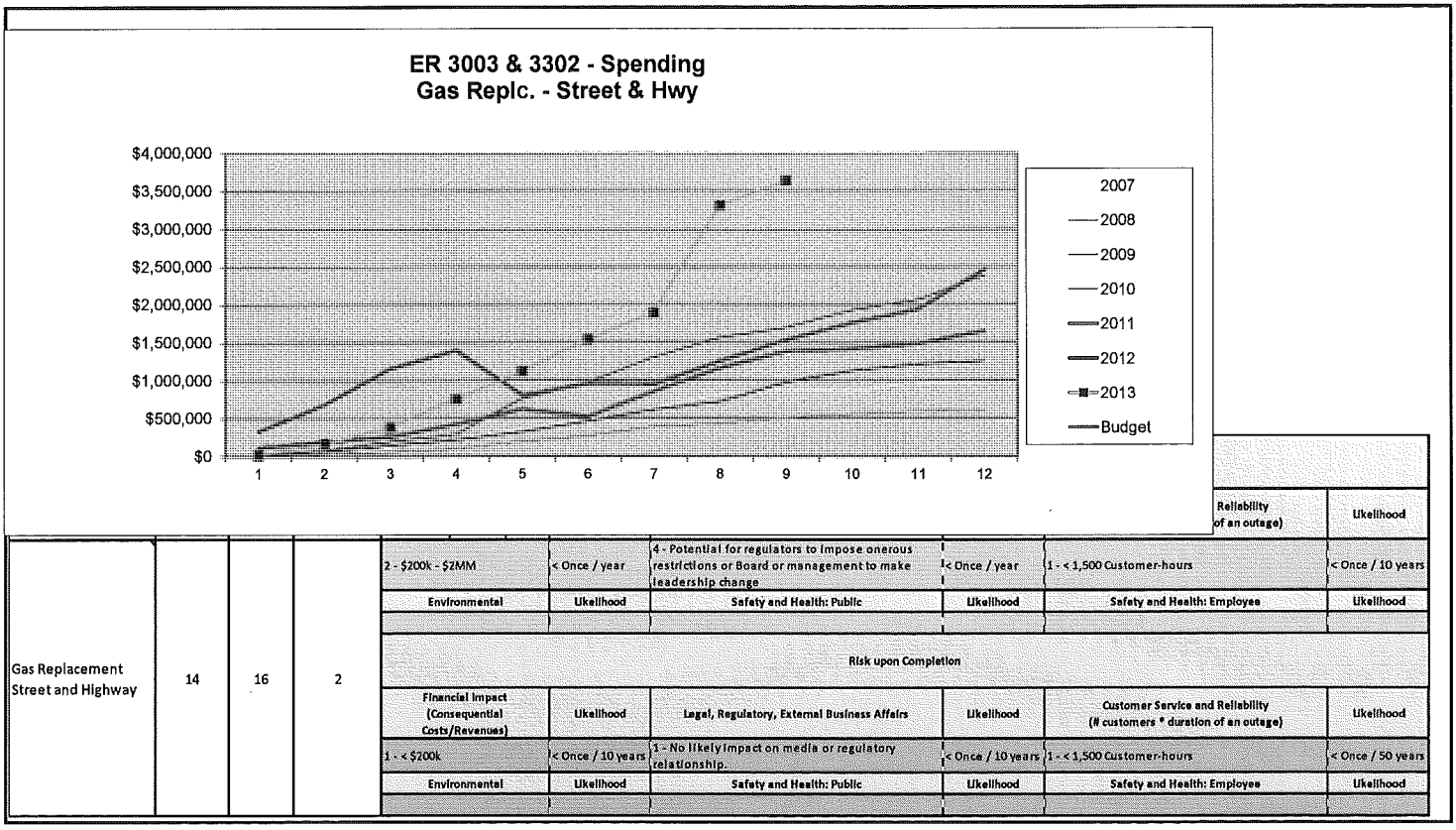
Key Performance Indicator(s)
Expected Performance Improvements

KPI Measure:

Prepared signature

Reviewed signature
Director/Manager

Other Party Review signature
(if necessary) Director/Manager



								Reliability of an outage)	Likelihood
Gas Replacement Street and Highway	14	16	2	2 - $200k - $2MM	< Once / year	4 - Potential for regulators to impose onerous restrictions or Board or management to make leadership change	< Once / year	1 - < 1,500 Customer-hours	< Once / 10 years
				Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood
				Risk upon Completion					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, 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 / 10 years	1 - < 1,500 Customer-hours	< Once / 50 years
				Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]**

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__NGD-6.1

AVISTA

Investment Name:	Gas Telemetry						
Requested Amount	$400,000	**Assessments:**					
Duration/Timeframe	Year Program	Financial:	7.00%				
Dept.., Area:	Gas Engineering	Strategic:	Reliability & Capacity				
Owner:	Mike Faulkenberry	Business Risk:	Business Risk Reduction >5 and <= 10				
Sponsor:	Don Kopczynski	Program Risk:	High certainty around cost, schedule and resources				
Category:	Program						
Mandate/Reg. Reference:	CFR 192.741 192.631	Assessment Score:	#NAME?	Annual Cost Summary - Increase/(Decrease)			

Recommend Program Description:	**Performance**	**Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
This program will continue the installations of gas telemetry throughout Avista's 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 progam 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.	describe any incremental changes that this Program would benefit present operations	$ 400,000	$ -	$ -	1

Alternatives:		**Performance**	**Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	No further enhancements or maintenance of the existing telemetry system. Existing mechanical pressure recorders are expensive to fix and replace.	n/a	$ -	$ 50,000	$ -	8
Alternative 1: Brief name of alternative (if applicable)	Increase the number of gas telemetry sites and maintain or upgrade existing facilities. This funding level was previously approved as part of the Gas PMC Business Case. We are now requesting to separate it out as it does not align well with the PMC program.	describe any incremental changes in operations	$ 400,000	$ -	$ -	1
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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2014	$ 370,000	$ -	$ -	$ 315,000
2015	$ 370,000	$ -	$ -	$ 400,000
2016	$ 370,000	$ -	$ -	$ 400,000
2017	$ 370,000	$ -	$ -	$ 400,000
2018	$ 370,000	$ -	$ -	$ 400,000
2019	$ -	$ -	$ -	$ 400,000
Total	$ 1,850,000	$ -	$ -	$ 2,315,000

Associated ERs (list all applicable):			
3117			

ER	2014	2015	2016	2017	2018	Total
3117	$ 400,000	$ 400,000	$ 400,000	$ 400,000	$ 400,000	$ 2,000,000
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 400,000	$ 400,000	$ 400,000	$ 400,000	$ 400,000	$ 2,000,000

Mandate Excerpt (if applicable):

CFR 192.741 - Each distribution system supplied by more than one source must be equipped with telemetering or recording pressure gauges to indicate the gas pressure in the district.
CFR 192.631 - Control Room Mgmt

Additional Justifications:

Increased gas telemetry sites will also aide in the installation and monitoring of Automatic Shut Off or Remote Control Valves (ASO/RCV).
Disaster Recovery - new telemetry sites are IP addressable to help in the event the primary dispatch center (Mission) is not available.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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).

Exhibit No.__(KKS-5)
Attachment No.__NGD-6.2

AVISTA

Key Performance Indicator(s)
Expected Performance Improvements
KPI Measure:

Prepared signature _____

Reviewed signature _____
Director/Manager

Other Party Review signature Maurie Stevens
(if necessary) 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	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]**

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case

Exhibit No.__(KKS-5)
Attachment No.__NGD-7.1

AVISTA

Investment Name:	**Isolated Steel Replacement**		
Requested Amount	**$2,598,333**	**Assessments:**	
Duration/Timeframe	On-Going	Financial:	High - Exceeds 12% CIRR
Dept.., Area:	Gas Operations	Strategic:	Reliability & Capacity
Owner:	Mike Faulkenberry	Operational:	Operations somewhat impacted by execution
Sponsor:	Don Kopczynski	Business Risk:	ERM Reduction >0 and <= 5
Category:	Mandatory	Program Risk:	Moderate certainty around cost, schedule and resources
Mandate/Reg. Reference:	WAC Docket PG-100049, 49CFR192.455&157	Assessment Score:	117

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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 WAC Docket PG-100049. This program will be conducted in ID and OR also to assure cathodically isolated steel is identified and replaced as needed.	describe any incremental changes that this Program would benefit present operations	$ 2,598,333	$ -	$ -	12

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Status Quo :	Avista would be out of compliance with Docket PG-100049 and 49 CFR 192.455 & 457.	n/a	$ -	$ -	$ -	12
Alternative 1:	Complete programmatic replacement of isolated steel pipe	n/a	$ 2,598,333	$ -	$ -	9
Alternative 2:		n/a	$ -	$ -	$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)		describe any incremental changes in operations	$ -	$ -	$ -	0

Program Cash Flows
2012-2016

	Capital Cost	O&M Cost	Other Costs	Approved Capital
2012	$ 2,321,433	$ -	$ -	$ 1,095,000
2013	$ 2,348,337	$ -	$ -	$ 2,248,333
2014	$ 2,598,333	$ -	$ -	$ 1,758,333
2015	$ 3,450,000	$ -	$ -	$ 3,450,000
2016	$ 3,550,000	$ -	$ -	$ 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

Associated Ers (list all applicable):

Current ER
3007

Mandate Excerpt (if applicable):

Docket PG-100049 (III) - "Agreement"(2) - Avista agrees to survey its entire Washington State pipeline system to find isolated steel and complete all remedial action set forth in this Agreement within five years of the effective date of this Agreement.

Additional Justifications:

AVISTA

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☑ Medium Probability	☑ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required	
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required	
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required	
				Fleet:	☐ 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 commitment).

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:

	B	U	Z	AA
1	*Department*	*YTD October 2013*	*Minimum to Complete 2013*	*Percent Complete*
2	*Spokane Gas Construction*	*586*	*650*	*90%*
3	*Roseburg*	*113*	*107*	*106%*
4	*Medford Construction*	*5*	*222*	*2%*
6	*Clarkston Electric & Gas*	*6*	*34*	*18%*
7	*La Grande*	*25*	*28*	*89%*
8	*Sandpoint / Bonners Ferry*	*4*	*7*	*57%*
9	*CDA Gas*	*38*	*31*	*123%*
10	*Klamath Falls*	*24*	*43*	*56%*
11	*Pullman Electric & Gas*	*14*	*98*	*14%*
12	***Total YTD 2013***	***815***	***1220***	*67%*

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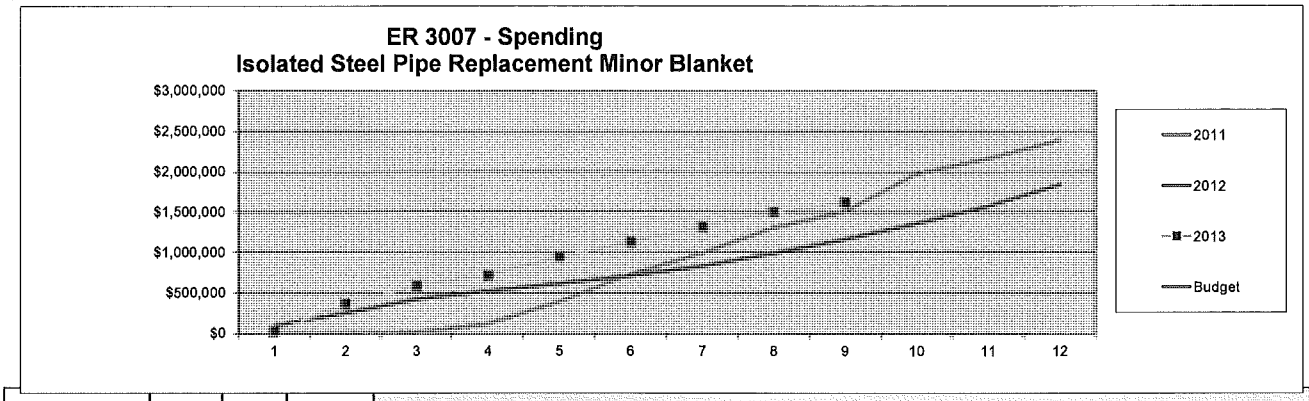
Director/Manager

Other Party Review (if necessary) signature Margi Stevens
Director/Manager



Business Case	ERM Risk Reduction	Status Quo Raw Score	Risk on Completion Raw Score	Status Quo Risk					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
Isolated Steel Replacement	3	12	9	3 - $2MM - $4MM	< Once / 5 years	4 - Potential for regulators to impose onerous restrictions or Board or management to make leadership change	< Once / 5 years	1 - < 1,500 Customer-hours	< Once / 10 years
				Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood
				Risk upon Completion					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
				3 - $2MM - $4MM	< Once / 5 years	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 / 50 years
				Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]**

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__NGD-8.1

AVISTA

Investment Name:	**Overbuilt Pipe Replacement**		
Requested Amount	**$900,000**	**Assessments:**	
Duration/Timeframe	On Going Year Program	Financial:	7.00%
Dept.., Area:	Gas Operations	Strategic:	Reliability & Capacity
Owner:	Mike Faulkenberry	Business Risk:	Business Risk Reduction >5 and <= 10
Sponsor:	Don Kopczynski	Program Risk:	High certainty around cost, schedule and resources
Category:	Mandatory		
Mandate/Reg. Reference:	49 CFR 192.361(f)	Assessment Score:	#NAME?

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program will replace sections of existing gas piping that have experienced encroachment or have been overbuilt by customer constructed improvements (i.e. decks, driveways, etc.) that restricts the Company's access to pipe. It 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.	describe any incremental changes that this Program would benefit present operations	$ 900,000	$ -	$ -	4

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Avista will continue operating with increased risk due to overbuilds	n/a	$ -	$ -	$ -	12
Alternative 1: Brief name of alternative (if applicable)	Complete programmatic replacement of overbuilt pipe.	describe any incremental changes in operations	$ 900,000	$ -	$ -	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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ 500,000	$ -	$ -	$ 500,000
2013	$ 900,000	$ -	$ -	$ 470,000
2014	$ 900,000	$ -	$ -	$ 700,000
2015	$ 900,000	$ -	$ -	$ 900,000
2016	$ 900,000	$ -	$ -	$ 900,000
2017	$ 900,000	$ -	$ -	$ 900,000
2018	$ 900,000	$ -	$ -	$ 900,000
2019	$ -	$ -	$ -	$ 900,000
Total	$ 5,400,000	$ -	$ -	$ 5,670,000

Associated ERs (list all applicable):
3006

ER	2013	2014	2015	2016	2017	Total
3006	$ 900,000	$ 900,000	$ 900,000	$ 900,000	$ 900,000	$ 4,500,000
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 900,000	$ 900,000	$ 900,000	$ 900,000	$ 900,000	$ 4,500,000

Mandate Excerpt (if applicable):

49 CFR 192.361(f) "Installation of service lines under buildings. Where an underground service line is installed under a building:" (Not allowed w/o conduit]

Additional Justifications:

Avista operates with an increase risk to its customers and the general public when operating pipeline facilities that exist under structures.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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).

AVISTA

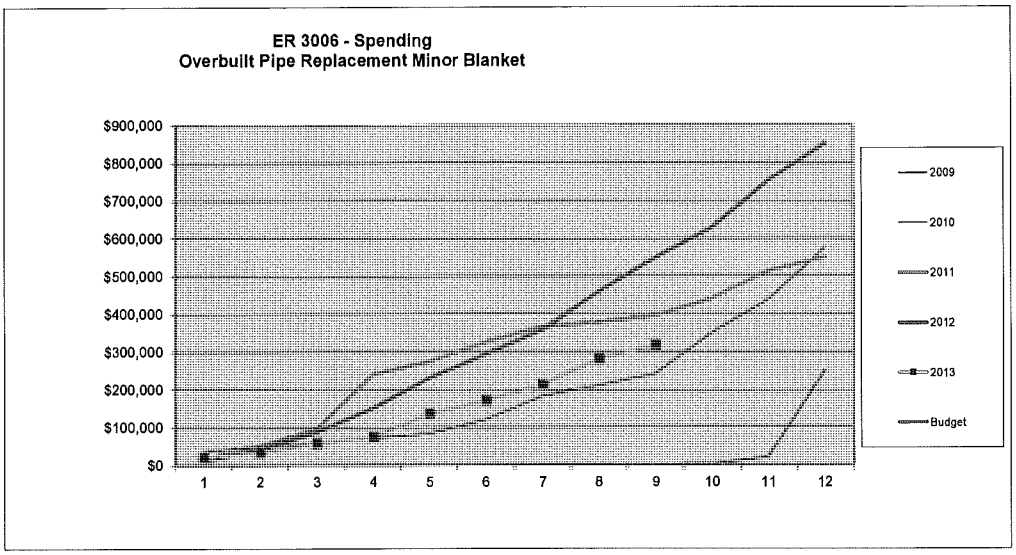
Exhibit No.__(KKS-5)
Attachment No.__NGD-8.2

Key Performance Indicator(s)
Expected Performance Improvements
KPI Measure:

Prepared signature

Reviewed signature
Director/Manager

Other Party Review (if necessary) signature Director/Manager



To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]**

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

AVISTA

Investment Name:	Regulator Station Reliability Replacement		
Requested Amount	$800,000	Assessments:	
Duration/Timeframe	On-Going Year Program	Financial:	7.00%
Dept.., Area:	Gas Operations	Strategic:	Life-cycle asset management
Owner:	Typically Director	Business Risk:	Business Risk Reduction >0 and <= 5
Sponsor:	Typically Executive Officer	Program Risk:	High certainty around cost, schedule and resources
Category:	Program		
Mandate/Reg. Reference:	PHMSA CFR 192.739	Assessment Score:	75

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
This annual program will replace or upgrade existing regulator stations and meter stations to current Avista standards. This program will address enhancements that will improve system operating performance, safety, replacement of inadequate or antiquated equipment that is no longer supported, and ensure the reliable operation of metering and regulating equipment.	describe any incremental changes that this Program would benefit present operations	$ 600,000	$ -	$ -	1

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Maintenance may not be able to be completed properly due to antiquated equipment. This could result in fines from PUC, leaks on stations, and higher rates of equipment failure.	n/a	$ -	$ -	$ -	4
Alternative 1: Complete as described above.	Stations that require upgrade or replacement are identified on an on-going basis to ensure continued reliable operations. Stations that are not upgraded may pose a greater risk to leaks or affect system reliability.	Reduction in Reg Stn maintenance.	$ 600,000	$ -	$ -	1
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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
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

Associated Ers (list all applicable):			
3002			

ER	2014	2015	2016	2017	2019	Total
3002	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 4,000,000
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 800,000	$ 4,000,000

Mandate Excerpt (if applicable):

CFR § 192.739 - Pressure limiting and regulating stations: Inspection and testing. Mandates that Regulating Stations must be inspected annually. If older components are not repairable, then maintenance might not be completed appropriately.

Additional Justifications:

Approximately 50% of the spending is required to satisfy the replacement of antiquated equipment or have an elevated safety risk. Approximately 50% of the spending is strategic and provides enhancements that facilitate operation and maintenance.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☐ YES	☑ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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 Performance Indicator(s)

Expected Performance Improvements

KPI Measure:

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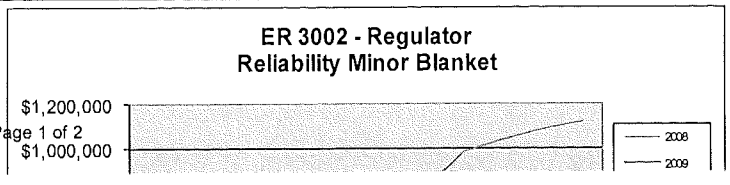
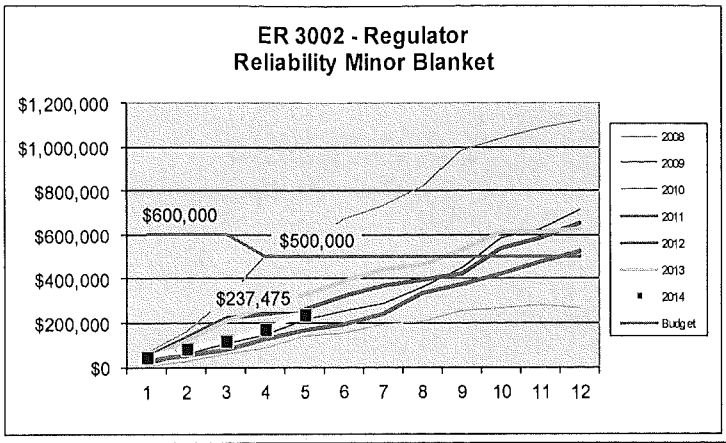


Printed 02-03-2015
http://sharepoint/departments/budget/Business Cases/Gas/Gas Regulator Station Reliability.xlsm

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__NGD-9.2



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Other Party Review (if necessary) signature Margi Stevens Director/Manager

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

Business Case	ERM Risk Reduction	Status Quo Raw Score	Risk on Completion Raw Score	Status Quo Risk					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
Regulator Station Reliability Replacement	2	4	2	1 - < $200k	< Once / 10 years	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 years
				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 years
				Risk upon Completion					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, 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	1 - < 1,500 Customer-hours	< Once / 50 years
				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 / 50 years	1 - Potential for injury Public health infrastructure impact up to 8 hours	< Once / 50 years	1 - Potential for injury	< Once / 50 years

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]**

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case

Exhibit No.__(KKS-5)
Attachment No.__NGD-10.1

AVISTA

Investment Name:	**Repl. Deteriorating Steel Gas Systems**		
Requested Amount	**$800,000**	**Assessments:**	
Duration/Timeframe	On-Going	Financial:	<= 0% CIRR
Dept.., Area:	Gas Operations	Strategic:	Life Cycle Programs
Owner:	Mike Faulkenberry	Operational:	Operations improved beyond current levels
Sponsor:	Don Kopczynski	Business Risk:	ERM Reduction >5 and <= 10
Category:	Program	Program Risk:	Moderate certainty around cost, schedule and resources
Mandate/Reg. Reference:		Assessment Score:	79

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease)**			
		Capital Cost	**O&M Cost**	**Other Costs**	**Business Risk Score**
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; it's primary focus is to address corrosion related pipe issues.	describe any incremental changes that this Program would benefit present operations	$ 800,000	$ -	$ -	1

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease)**			
			Capital Cost	**O&M Cost**	**Other Costs**	**Business Risk Score**
Status Quo :	A number of locations have been identified in Medford, Klamath Falls, Roseburg, and La Grande OR that have older main at a higher operating risk related to leaks.	n/a	$ -	$ -	$ -	6
Alternative 1: Pipe Installation	Strategically replace sections of at-risk steel piping.	Reduced risk of system leaks	$ 800,000	$ -	$ -	1
Alternative 2:		describe any incremental changes in operations	$ -	$ -	$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)		describe any incremental changes in operations	$ -	$ -	$ -	0

Program Cash Flows
2012-2016

	Capital Cost	O&M Cost	Other Costs	Approved
2012	$ 800,000	$ -	$ -	$ 800,000
2013	$ 600,000	$ -	$ -	$ 665,000
2014	$ 800,000	$ -	$ -	$ 1,280,000
2015	$ 1,000,000	$ -	$ -	$ 1,000,000
2016	$ 1,000,000	$ -	$ -	$ 1,000,000
2017	$ 1,000,000	$ -	$ -	$ 1,000,000
2018	$ 1,000,000	$ -	$ -	$ 1,000,000
2019	$ -	$ -	$ -	$ 1,000,000
Total	$ 6,200,000	$ -	$ -	$ 7,745,000

Associated Ers (list all applicable):

Current ER
3001

Mandate Excerpt (If applicable):

N/A

Additional Justifications:

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

Capital Investment Business Case

Exhibit No.__(KKS-5)
Attachment No.__NGD-10.2

AVISTA

Resources Requirements: *(request forms and approvals attached)*

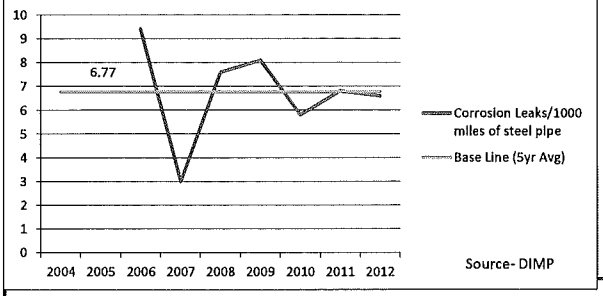
Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☑ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ YES - 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 commitment).

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure: Leak Rate/ 1000 miles of steel pipe



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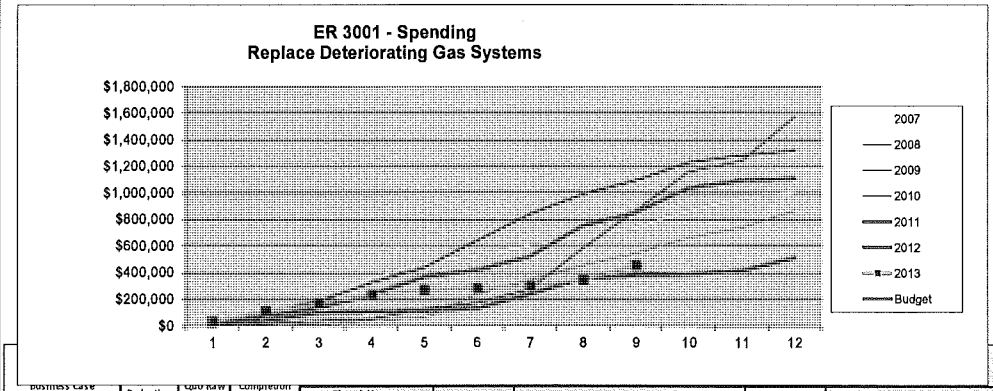
Director/Manager

Other Party Review signature
(if necessary) Director/Manager

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



Business Case	Reduction	O&M 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
				3 - $2MM - $4MM	< Once / 10 years	4 - Potential for regulators to impose onerous restrictions or Board or management to make leadership change	< Once / 10 years	1 - < 1,500 Customer-hours	< Once / 10 years
				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 / year	3 - Potential for serious injury Significant damage to equipment, property or business Public health infrastructure impact up to 48 hours	< Once / 10 years	1 - Potential for injury	< Once / 10 years
Repl. Deteriorating Steel Gas Systems	7	8	1	Risk upon Completion					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
				1 - < $20K	< Once / 50 years	1 - No likely impact on media or regulatory relationship.	< Once / 50 years	1 - < 1,500 Customer-hours	< Once / 50 years
				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 / 50 years	1 - Potential for injury Public health infrastructure impact up to 8 hours	< Once / 50 years	1 - Potential for injury	< Once / 50 years

To be completed by Capital Planning Group

Rationale for decision

Review Cycles
2012-2016

Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]**

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__NGD-12.1

AVISTA

Investment Name:	**Gas PMC Program**		
Requested Amount	**$1,000,000**	**Assessments:**	
Duration/Timeframe	On-Going Year Program	Financial:	High - Exceeds 12% CIRR
Dept.., Area:	Gas Engineering	Strategic:	Reliability & Capacity
Owner:	Mike Faulkenberry	Business Risk:	Business Risk Reduction >10 and <= 15
Sponsor:	Don Kopczynski	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Mandatory		
Mandate/Reg. Reference:	WAC 480-90-348, IDAPA 31.31.01.151-200, OAR,	Assessment Score:	185

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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.		$ 1,000,000	$ -	$ -	0

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Status Quo :	Avista would be out of compliance with state administrative requirements in WA, ID, and OR related to gas measurement and could face fines if not completed.	n/a	$ -	$ -	$ -	0
Alternative 1:	Replacement gas meters, ERTS, and regulators as part of the gas meter PMC program and complete strategic enhancement of the telemetry and measurement technology systems.		$ 1,000,000	$ -	$ -	0
Alternative 2:				$ -	$ -	0
			$ -	$ -	$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2013	$ -	$ -	$ -	$ -
2014	$ 1,000,000	$ -	$ -	$ 1,175,000
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
2019	$ -	$ -	$ -	$ 1,159,274
Total	$ 5,309,136	$ -	$ -	$ 6,643,410

Associated Ers (list all applicable):			
3055			

ER	2013	2014	2015	2016	2017	Total
3055	$ -	$ 1,000,000	$ 1,030,000	$ 1,060,900	$ 1,092,727	$ 4,183,627
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ 1,000,000	$ 1,030,000	$ 1,060,900	$ 1,092,727	$ 4,183,627

Mandate Excerpt (if applicable):
see below

Additional Justifications:
see below

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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).

Printed: 01-09-2015
C:\Users\vf9457\Desktop\Indexed Business Cases For KKS-5\Gas\NGD-12 - Update - Gas PMC Program

Capital Program Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__NGD-12.2

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	# of meter changed out vs. # required (this changes annually)

Prepared signature

Reviewed signature
Director/Manager

Other Party Review signature
(if necessary) Director/Manager

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

MANDATE EXCERPT: OAR 860-023-0015(3) - "Each energy utility shall adopt schedules for periodic tests and repairs of meters. The length of time meters shall be allowed to remain in service before 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 Commission's approval."

ADDITIONAL COMMENTS: Program required to reliably serve customers, ensure accurate measurement, and properly bill gas revenue.
These charges had historically gone into ER3005, the Business Case for ER3005 will be adjusted to show the change starting in 2014.
Historically ER3117 had been combined with this program, as of 1-1-14, it will be on its own Business Case.

Previous Scoring:

Business Case	Business Risk Reduction	Unfunded Raw Score	Revised Risk Raw Score	Unfunded Project/Program Risk (no funding if a project, cease funding if an existing program)					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
Gas PMC Program_Capital Replacements	12	16	4	2 - $200k - $2MM	< Once / year	4 - Potential for regulators to impose onerous restrictions or Board or management to make leadership change	< Once / year	1 - < 1500 Customer-hours	< Once / 10 years
				Environmental	Likelihood	Safety and Health: Public	Likelihood	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
				Revised Risk if funded/completed					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
				1 - < $200k	< Once / year	1 - No likely impact on media or regulatory relationship	< Once / 50 years	1 - < 1500 Customer-hours	< Once / 50 years
				Environmental	Likelihood	Safety 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 years

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]**

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Project Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__NGD-13.1

Investment Name:	Goldendale HP
Requested Amount	$0
Duration/Timeframe	1 Year Project
Dept.., Area:	Gas Engineering
Owner:	Mike Faulkenberry
Sponsor:	Don Kopczynski
Category:	Project
Mandate/Reg. Reference:	CFR 192.459 192.461

Assessments:

Financial:	7.00%
Strategic:	Reliability & Capacity
Business Risk:	Business Risk Reduction >10 and <= 15
Project Risk:	High certainty around cost, schedule and resources
Assessment Score:	#NAME?

Recommend Project Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
The coating on the existing HP main that feeds the town of Goldendale is disbonded and is showing signs of early stages of corrosion. This line has been exposed in several different locations, all 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.		$ 3,500,000	$ -	$ -	1

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	If unfunded, we could face potential fines from the WUTC.		$ -	$ 100,000	$ -	12
Relocate Meter Stn	Replace 3 miles of 4" HP gas main as described above.		$ 3,500,000	$ -	$ -	1
Rewrap pipe	Rewrap the 3 miles of HP gas main	high O&M expense	$ -	$ 2,000,000	$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	$ -	$ -	$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2013	$ -	$ -	$ -	$ -
2014	$ -	$ -	$ -	$ -
2015	$ 3,500,000	$ -	$ -	$ 3,500,000
2016	$ -	$ -	$ -	$ -
2017+	$ -	$ -	$ -	$ -
Total	$ 3,500,000	$ -	$ -	$ 3,500,000

Associated Ers (list all applicable):			
3xxx			

ER	2013	2014	2015	2016	2017+	Total
3xxx	$ -	$ -	$ 3,500,000	$ -	$ -	$ 3,500,000
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ 3,500,000	$ -	$ -	$ 3,500,000

Mandate Excerpt (if applicable):

192.459 Corrosion control: Examination of buried pipeline when exposed.
192.461 Corrosion control: Protective coatings

Additional Justifications:

Any supplementary information that may be useful in describing in more detail the nature of the Project, the urgency, etc.

Milestones (high level targets)

January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open

Milestones should be general. Use your judgement on project progress so that progress can

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability: ☐ Low Probability ☐ Medium Probability ☑ High Probability
Contract Labor: ☑ YES ☐ NO
Enterprise Tech: ☐ YES - attach form ☑ NO or Not Required
Facilities: ☐ YES - attach form ☑ NO or Not Required
Capital Tools: ☐ YES - attach form ☑ NO or Not Required
Fleet: ☐ YES - attach form ☑ NO or Not Required

Printed 11-05-2014
C:\Users\vf9457\Desktop\Business Cases\Gas Goldendale HP Main Reinforcement Project

Exhibit No.__(KKS-5)
Attachment No.__NGD-13.2

AVISTA

Key Performance Indicator(s)
Expected Performance Improvements
KPI Measure:

Prepared signature

Reviewed signature
Director/Manager

Other Party Review signature Margie Stevens
(if necessary) Director/Manager

June 25, 2013

Jody Morehouse:

SUBJECT: Goldendale High Pressure Coating Adhesion

As per federal code 49, part 192.461 a coating system must be installed with sufficient adhesion to the metal surface to effectively resist under 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 inspect the pipe and provide photographic evidence of what he observed. The photos are included with the recommendation.

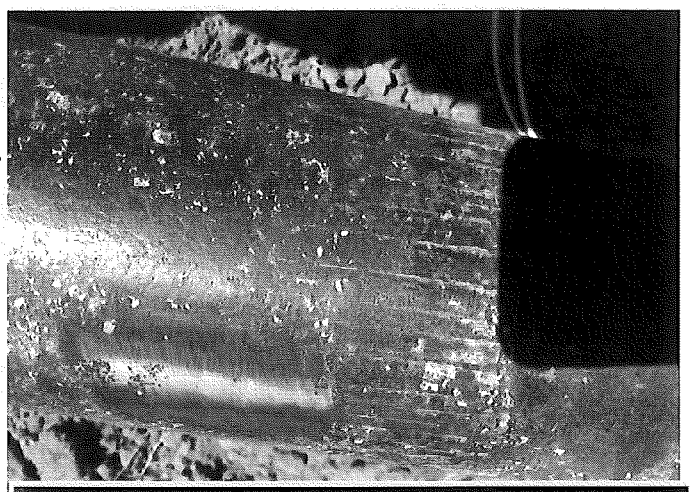
Cathodic Protection levels on the piping are at adequate levels. However cathodic protection currents work much like a flash light, the current only gathers on those sections of pipe that are exposed to the soil. Therefore a coating that is loosely adhered to the metal is effectively shielded the pipe from the cathodic protection current and the environment. Therefore a separate corrosion cell can develop between the coating and the metal.

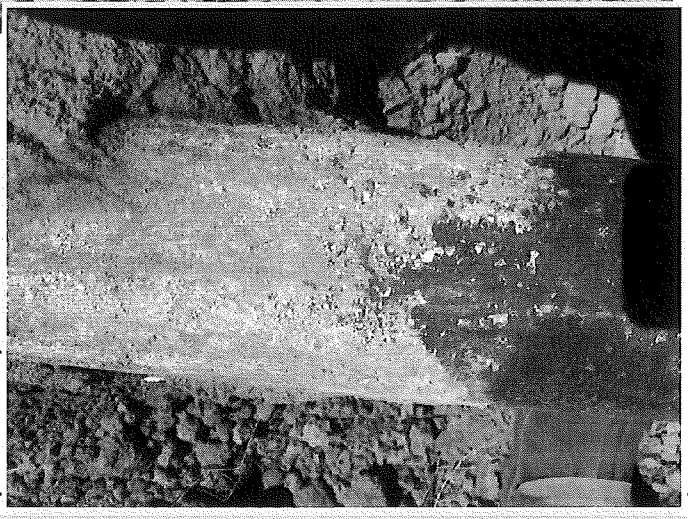
RECOMMENDATION:

- 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 product left 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.
- Another option would be to remove the HP piping and install a new pipe with and FBE (fusion bonded epoxy) coating.

Gary Douglas

Cathodic Protection Specialist





To be completed by Capital Planning Group

Rationale for decision	**Review Cycles** 2012-2016	
	Date	**Template**

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]**

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__NGD-15.1

AVISTA

Investment Name:	**ERT Replacement Program**		
Requested Amount	**$0**	**Assessments:**	
Duration/Timeframe	12 Year Program	Financial:	7.00%
Dept.., Area:	Gas Engineering	Strategic:	Life-cycle asset management
Owner:	Mike Faulkenberry	Business Risk:	Business Risk Reduction >5 and <= 10
Sponsor:	Don Kopczynski	Program Risk:	High certainty around cost, schedule and resources
Category:	Program		
Mandate/Reg. Reference:	n/a	Assessment Score:	#NAME?

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease)**			
		Capital Cost	**O&M Cost**	**Other Costs**	**Business Risk Score**
This program covers the consistent replacement of 19,500 gas ERTs annually for a 12 year cycle, beginning in the year 2015. Analysis 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). Cost of the ERT will go against ER1053, not this business case.	As ERTs are replaced in a planned way, the impact to operations resources and customer billing	$ 901,890	$ 8,000	$ -	1

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease)**			
			Capital Cost	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	If unfunded, the number of field ERT failures will increase to an unsustainable level. At its peak, more than 20,000 ERTs are predicted to fail annually, each requiring a maintenance call and estimated bill for customers. Avista experiences only a couple hundred failures currently due to small populations	n/a	$ 1,058,000	$ 117,000	$ -	2
Alternative 1: Brief name of alternative (if applicable)	12 year program: Replace approx 19,500 ERTs annually until all ERTs are refreshed. Replacements beyond this 12 year cycle then occur at 14 years of age, so there will be a lag & re-set of this program at that time, however, new populations will have been levelized so there are no more than 19,500 units	As ERTs are refreshed, trouble calls for field failures	$ 901,890	$ 8,000	$ -	1
Alternative 2: Brief name of alternative (if applicable)	Prior to the recent analysis, the belief was that replacing units older than 10 years of age was the best advantage. This modern study has shown that doing a 'birthday' replacement at 10 years will pull units with too much life still available, and does not introduce level populations back into the system	Aggressive, early replacement is not desired	$ 1,950,000	$ 690	$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	$ -	$ -	$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2014	$ -	$ -	$ -	$ -
2015	$ 901,890	$ -	$ -	$ 401,890
2016	$ 943,960	$ -	$ -	$ 443,960
2017	$ 994,140	$ -	$ -	$ 494,140
2018	$ 1,044,320	$ -	$ -	$ 544,320
2019	$ 1,096,536	$ -	$ -	$ 596,536
Total	$ 4,980,846	$ -	$ -	$ 2,480,846

Associated Ers (list all applicable):			
3054			

ER	2014	2015	2016	2017	2018	Total
3054	$ -	$ 901,890	$ 943,960	$ 994,140	$ 1,044,320	$ 3,884,310
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ 901,890	$ 943,960	$ 994,140	$ 1,044,320	$ 3,884,310

Mandate Excerpt (if applicable):

Additional Justifications:

see below

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☐ High Probability	Enterprise Tech:	☐ YES - attach form	☐ NO or Not Required
Contract Labor:	☐ YES	☐ NO		Facilities:	☐ YES - attach form	☐ NO or Not Required
				Capital Tools:	☐ YES - attach form	☐ NO or Not Required
				Fleet:	☐ 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).

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__NGD-15.2

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	# of ERTs replaced vs. planned

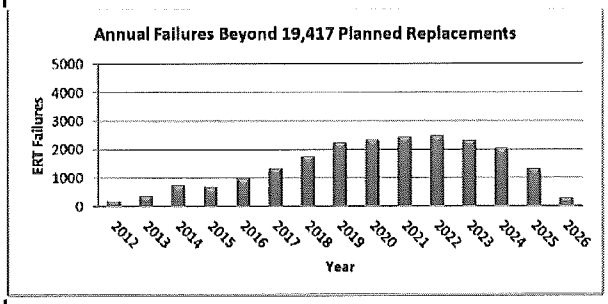
Prepared signature

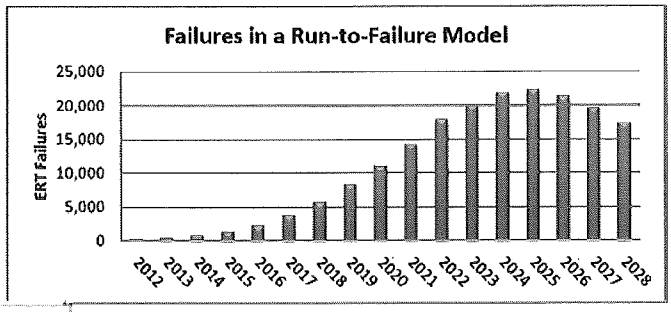
Reviewed signature
Director/Manager

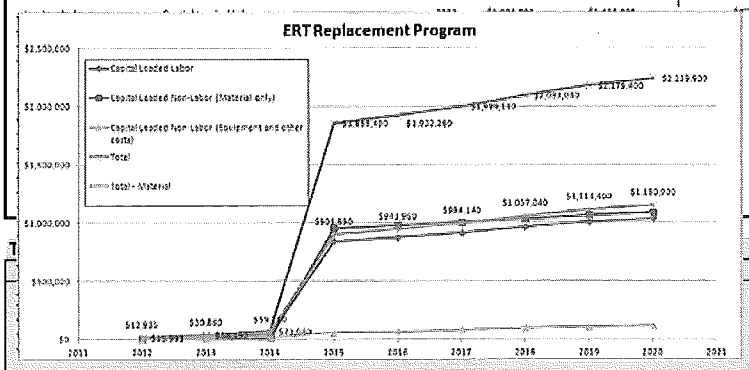
Other Party Review (if necessary) signature
Director/Manager

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

Avista has over 230,000 gas ERTs in service since the year 2000. There have been large population years, such as 2004 and 2005, which represent over 100,000 units alone. These ERTs run on batteries that will eventually discharge and need replacement, and are predicted to happen in large quantities over short periods of time, peaking at over 20,000 field failures a year unless organized replacements begin. A levelized replacement rate of approximately 19,500 units annually, starting in 2015, balances the maximum life of the battery while reducing the effects of field failures to a manageable level. The levelized replacement process also introduces smaller populations of ERTs back into the system so the next time batteries need replacing there will only be about 19,500 unit families in place for any given future year. (Refer to Asset Management Report Titled "ERT Replacement Strategy Development, 6/14/12)







Review Cycles
2012-2016

Date	Template

AVISTA UTILITIES
2014-2017 CAPITAL PROJECTS

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[1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__GUS-1.1

Investment Name:	Jackson Prairie Storage		
Requested Amount	$1,000,000	**Assessments:**	
Duration/Timeframe	20+ Year Program	Financial:	High - Exceeds 12% CIRR
Dept.., Area:	Natural Gas Resources	Strategic:	Reliability & Capacity
Owner:	Steve Harper	Operational:	Operations require execution to perform at current levels
Sponsor:	Jason Thackston	Business Risk:	ERM Reduction >15
Category:	Program	Program Risk:	High certainty around cost, schedule and resources
Mandate/Reg. Reference:	n/a	Assessment Score:	116

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
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.	describe any incremental changes that this Program would benefit present operations	$ 1,000,000	$ -	$ -	2

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo:	Not recommended-- Not to fund Avista's 1/3 capital obligation. Failure by Avista to fund its 1/3 capital obligation would dilute Avista's ownership percentage. Voting rights would be deminished and therefore decisions made by other partners would not be in the best interest of Avista or its customers.	n/a		$ -	$ -	20
Alternative 1: Brief name of alternative (if applicable)	Recommended -- Support Avista's 1/3 capital obligation. Estimated to be approximately $1,000,000 per year looking forward. Cost is estimated to be $539,000 in 2014. Capital needs vary year-to-year, but relate to well, compression, pipe, separator/dehydration, metering and control facilities.	describe any incremental changes in operations	$ 1,000,000	$ -	$ -	2
Alternative 2: Brief name of alternative (if applicable)	Not recommended-- Fund a lesser amount than Avista's 1/3 capital obligation. Voting rights would be deminished and therefore decisions made by other partners would not be in the best interest of Avista or its customers.	describe any incremental changes in operations	$ -	$ -	$ -	2
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	$ -	$ -	$ -	0

Program Cash Flows
2012-2016

	Capital Cost	O&M Cost	Other Costs	Approved
Previous		$ -	$ -	$ -
2012	$ 630,000	$ -	$ -	$ 630,000
2013	$ 550,000	$ -	$ -	$ 550,000
2014	$ 539,000	$ -	$ -	$ 539,000
2015	$ 1,000,000	$ -	$ -	$ 1,356,300
2016	$ 1,000,000	$ -	$ -	$ 1,175,000
2017	$ 1,000,000	$ -	$ -	$ 1,117,000
2018	$ 1,000,000	$ -	$ -	$ 1,210,000
2019	$ -	$ -	$ -	$ 1,085,000
Future	$1,000,000/year	$ -	$ -	$ -
Total	$ 5,719,000	$ -	$ -	$ 7,662,300

Associated Ers (list all applicable):
ER 7201

Mandate Excerpt (if applicable):
provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:
While not a mandated project by definition, this Program is not one that can easily be terminated. The use of JP is documented and acknowledged as part of Avista's Integrated Resource Plan.

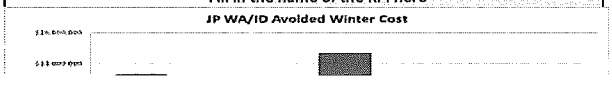
Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☑ Low Probability	☐ Medium Probability	☐ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☐ YES	☑ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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 Performance Indicator(s)
Expected Performance Improvements

KPI Measure:	Avoided gas costs through use of JP storage
	Fill in the name of the KPI here



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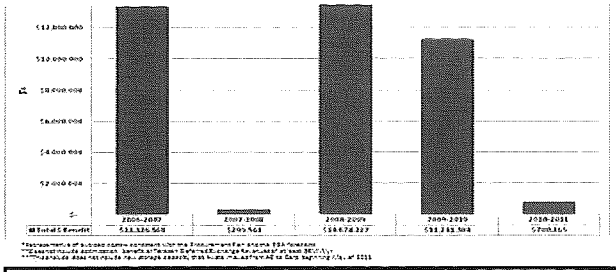
Capital Investment Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__GUS-1.2



Reviewed signature _____
Director/Manager

Other Party Review (if necessary) signature Margie Stevens
Director/Manager

Business Case	ERM Risk Reduction	Status Quo Raw Score	Risk on Completion Raw Score	Status Quo Risk					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
Jackson Prairie Storage	18	20	2	5 - > $10MM	< Once / year	3 - Could result in a sustained negative impact to local, online, or industrial relationships and / or national / global media coverage	< Once / year		
				Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood
						1 - Potential for injury Public health infrastructure impact up to 8 hours	< Once / year		
				Risk upon Completion					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, 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	Safety 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 years

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]**

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Investment Name:	**Fleet Budget**		
Requested Amount	**$ 7,700,000**	**Assessments:**	
Duration/Timeframe	5 Year Program	Financial:	7.00%
Dept.., Area:	Fleet Services	Strategic:	Life-cycle asset management
Owner:	Chris Schlothauer	Business Risk:	Business Risk Reduction >0 and <= 5
Sponsor:	Don Kopczynski	Program Risk:	High certainty around cost, schedule and resources
Category:	Program		
Mandate/Reg. Reference:	n/a	Assessment Score:	#NAME?

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease)** Capital Cost	O&M Cost	Other Costs	Business Risk Score
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.	describe any incremental changes that this Program would benefit present operations	$ 7,700,000	$ -	$ -	4

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease)** Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program: Replace only on failure	Continue to maintain and repair equipment, but replace only when repairs are no longer an option. Minimal Capital expenditure with a maximum expenditure on O&M.	Unreliable equipment, failed commitments	$ -	$ 2,135,679	$ -	9
Reduced Spend	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.	Less reliable equipment. Risk to operation's	$ 3,850,000	$ 1,914,099	$ -	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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2014	$ 7,595,175	$ -	$ -	$ 5,700,406
2015	$ 7,700,000	$ -	$ -	$ 7,700,000
2016	$ 8,085,000	$ -	$ -	$ 7,700,000
2017	$ 8,489,250	$ -	$ -	$ 7,700,000
2018	$ 8,913,713	$ -	$ -	$ 7,700,000
2019	$ 9,359,398	$ -	$ -	$ 7,700,000

Associated Ers (list all applicable):			
7000			

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AVISTA

2020+	$ -	$ -	$ -	$ -
Total	$ 50,142,536	$ -	$ -	$ 44,200,406

ER	2015	2016	2017	2018	2019	Total
7000	$ 7,700,000	$ 8,085,000	$ 8,489,250	$ 8,913,713	$ 9,359,398	$ 42,547,361
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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Total	$ 7,700,000	$ 8,085,000	$ 8,489,250	$ 8,913,713	$ 9,359,398	$ 42,547,361

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.

Resources Requirements: *(request forms and approvals attached)*

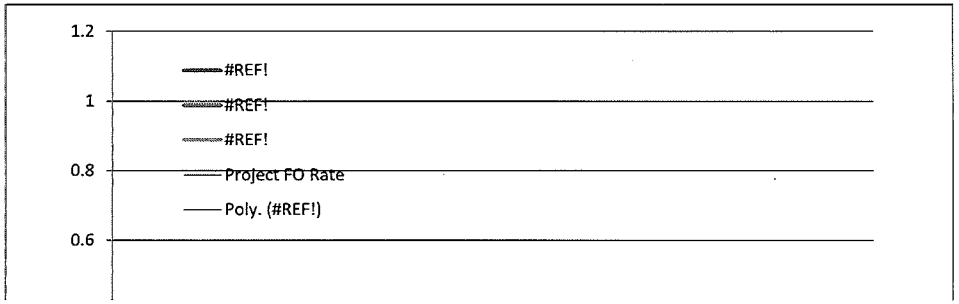
Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probablity	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☑ YES - 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 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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Director/Manager

Other Party Review signature Maggie Stevens

Exhibit No. ___ (DCG-20)
Dockets UE-150204/UG-150205
Page 167 of 303

Exhibit No. ___ (KKS-5)
Attachment No. ___ T-1.2

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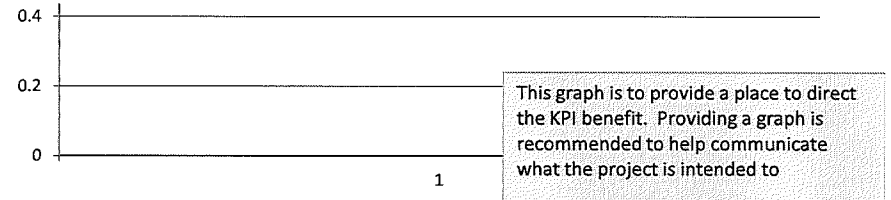

(if necessary) Director/Manager

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	Review Cycles
	2012-2016

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Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ET-1

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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 [1]

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.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__ET-1.1

AVISTA

Investment Name:	**AvistaUtilities.com Redesign**
Requested Amount	**$1,500,000**
Duration/Timeframe	3 Year Project
Dept.., Area:	Customer Solutions
Owner:	Dana Anderson, Jim Corder
Sponsor:	Dana Anderson, Jim Kensok
Category:	Project
Mandate/Reg. Reference:	n/a

Assessments:	
Financial:	7.00%
Strategic:	Customer Experience
Business Risk:	Business Risk Reduction >5 and <= 10
Project Risk:	Moderate certainty around cost, schedule and resources
Assessment Score:	77

Recommend Project Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
See Attached Project Charters.	Improved usability for customers and improved capability for information sharing and delivery to increase overall employee engagement	$ 1,000,000	$ 500,000	$ -	0

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Project:	Not consistent with industry and web best practices. 14% of customers are currently unable to complete transactions on the web and of those that can consistent feedback indicates that transactional tasks are time consuming and sometimes unusable.	n/a	$ -	$ -	$ -	0
Alternative 1: Brief name of alternative (if applicable)	Redesign of AvistaUtilities.com	Improved usability, capability and new technology	$ 1,000,000	$ 500,000	$ -	0
Alternative 2: Brief name of alternative (if applicable)			$ -	$ -	$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)			$ -	$ -	$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ 10,452	$ -	$ -	$ 10,452
2013	$ 1,000,000	$ 100,000	$ (50,000)	$ 419,000
2014	$ 500,000	$ 100,000	$ (100,000)	$ 1,037,000
2015	$ -	$ 100,000	$ (100,000)	$ 4,000,000
2016	$ -	$ 100,000	$ (100,000)	$ 2,000,000
2017	$ -	$ 100,000	$ (100,000)	$ -
Total	$ 1,500,000	$ 500,000	$ (450,000)	$ 7,466,452

Associated Ers (list all applicable):			
New			

ER	2013	2014	2015	2016	2017	Total
New	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -	$ -	$ -

Mandate Excerpt (if applicable):

provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:

1. The benefits are defined in the attached charter. In general they relate to a redesigned site for improved usability for customers as well as improved tools for employee information.
2. This project supports the Customer Engagement strategy by improving the website to better serve customers.
3. This Project supports the Employee strategy by improving capability for delivering information to employees.

Milestones (high level targets)

September-12	Project Start	January-00	open		January-00	open
January-13	Phase 0 Complete	January-00	open		January-00	open
April-13	Phase 1 Complete	January-00	open		January-00	open
August-13	Phase 2 Complete	January-00	open		January-00	open
February-14	Phase 3 Complete	January-00	open		January-00	open
January-00	open	January-00	open		January-00	open

Milestones should be general. Use your judgement on project progress so that progress can

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__ET-1.2

AVISTA

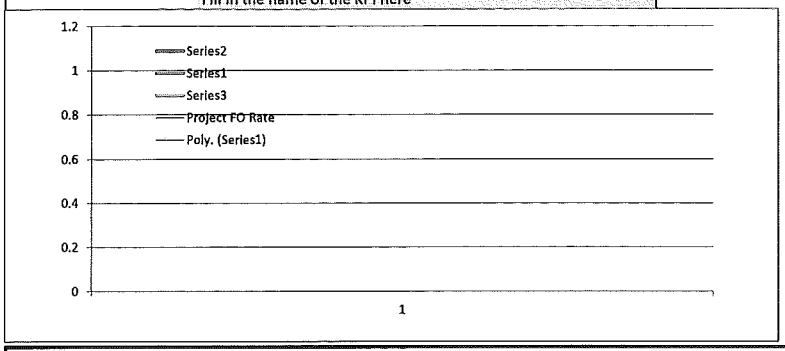
Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probablity	Enterprise Tech:	☑ YES - attach form	☐ NO or Not Required	Capital Tools:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required	Fleet:	☐ YES - attach form	☑ NO or Not Required

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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Director/Manager

Other Party Review signature Maggie Stevens
(if necessary) Director/Manager

Attachment 1: Project Charter
Attachment 2: Charter Addendum for AU.com
Attachment 2: Charter Addendum for AVAnet

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ET-2

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Exhibit No.__(KKS-5)
Attachment No.__ET-2.1

AVISTA

Investment Name:	**Enterprise Business Continuity Plan**		
Requested Amount	**$482,000**	**Assessments:**	
Duration/Timeframe	5 Year Program	Financial:	High - Exceeds 12% CIRR
Dept., Area:	Enterprise Technology	Strategic:	Other
Owner:	Clay Storey/Jim Corder	Operational:	Operations improved beyond current levels
Sponsor:	Jim Kensok	Business Risk:	ERM Reduction >10 and <= 15
Category:	Program	Program Risk:	High certainty around cost, schedule and resources
Mandate/Reg. Reference:	n/a	Assessment Score:	106

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Avista has developed an Enterprise Business Continuity Plan (EBCP) to facilitate emergency response and business continuity activities in fulfillment of our mission. 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. See "Additional Justifications:" for more information.	This is a risk mitigation program	$ 482,000	$ 498,755		4

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	Without this program the company's ability to prepare for and respond to emergency event will be diminished. This will have the effect of creating longer delays in the restoration of business services for our customer and shareholders, potentially even action by the utility commission against Avista.	n/a	$ -	$ -	$ -	25
Alternative 1: Brief name of alternative (if applicable)	Avista has developed an Enterprise Business Continuity Plan (EBCP) to facilitate emergency response and business continuity activities in fulfillment of our mission. The program supports the Enterprise Business Continuity objectives by	This is a risk mitigation program	$ 482,000	$ 498,755	$ -	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

Program Cash Flows
5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
	$ 482,000			$ 482,000
2012	$ 482,000	$ 488,838	$ -	$ 482,000
2013	$ 600,000	$ 549,558	$ -	$ 482,000
2014	$ 600,000	$ 610,278	$ -	$ 482,000
2015	$ 450,000	$ 655,818	$ -	$ 450,000
2016	$ 450,000	$ 701,358	$ -	$ 450,000
2017	$ 450,000	$ 746,898	$ -	$ 450,000
2018	$ 450,000	$ 792,438	$ -	$ 450,000
2019	$ -	$ -	$ -	$ 450,000
Total	$ 3,482,000	$ 4,545,186	$ -	$ 3,696,000

Associated Ers (list all applicable):
5010

Mandate Excerpt (if applicable):
n/a

Additional Justifications:
Support of the Enterprise Business Continuity Plan mitigates risk and minimizes the impact on the shareholders, customers, employees, and the community during and following an incident requiring activation of the EBCP. Through the development and maintenance of standardized mission critical plans and comprehensive alternate facilities planning, exercises and testing, the response, recovery and restoration efforts are synchronized, which in turn, lowers the risk of direct, indirect, tangible or intangible losses. Through on-going development, maintenance, review, and testing of the critical alternate operating procedures in support of critical business processes, process and procedure gaps are identified. This process will ensure the readiness of systems, procedures, processes, and people during emergency operations and provide an environment of constant improvement.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☑ YES - attach form	☐ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☑ YES - attach form	☐ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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).

Exhibit No.__(KKS-5)
Attachment No.__ET-2.2

AVISTA

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 _____

Reviewed signature _____
Director/Manager

Other Party Review signature Maryje Stevens
(if necessary) Director/Manager

The Program is planned to include the following Projects in the next 5 years:

1. Enterprise Business Continuity management software
2. Alternate facilities infrastructure
3. Includes AFM/OMT in Disaster Recovery
4. Includes Mobile Dispatch in Disaster Recovery
5. Includes AMR systems(Fixed network, AutoSOI, MV90, others) in Disaster Recovery
6. Filesystem expansion in Disaster Recovery

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ET-3

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__ET-3.1

AVISTA

Investment Name:	Mobility in the Field		
Requested Amount	$200,000	**Assessments:**	
Duration/Timeframe	5 Year Program	Financial:	MH - >= 9% & <12% CIRR
Dept., Area:	Energy Delivery	Strategic:	Agile Technology Platforms
Owner:	Heather Rosentrater & Mike Broemeling	Operational:	Operations improved beyond current levels
Sponsor:	Don Kopczynski & Jim Kensok	Business Risk:	ERM Reduction >0 and <= 5
Category:	Program	Program Risk:	High certainty around cost, schedule and resources
Mandate/Reg. Reference:	n/a	Assessment Score:	83

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	ERM Risk Score
This program is to increase our 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. Additional mobile opportunities will continue to emerge, therefore a Mobility Program is requested. The Customer IRR (CIRR) at 9% per Dave DeFelice. Opportinites will be done in phases over the 5 years. The first phase will be for the project called Visibility in the Field which enables the following: 1. Leak Survey 2. Gas Service Dispatch This would provide spatial maps in the field, using a mobile device resulting in efficiency gained for our field employees. Our customer will benefit with these new capabilities and effeciencies. The benefits would include operations improvements to reduce compliance risk, reduce duplicate effort, more timely entry of data along with improved tools and information in the field. The top opportunities are 1. View GIS Layers and Multiple Maps in the Field (in 2013) 2. Gas Exposed Pipe Report (in 2014) 3. Capture Facility Data (in 2015) 4. Provide Gas Blue Leak Survey Form (in 2013) 5. Damage Assessment (OMT) (in 2016).	ArcGIS Online will allow us to share information with web maps. This will increase collaboration with internal employees and external contractors and partners. This supports our strategic goals for agile technology .	$ 200,000			2

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Unfunded Program:	Maps are printed and taken out to the field; Paper process to gather information in the field and then enter the data into electronic format once in the office; If a Serviceman does have a Go-Book then both the electronic entry is done along with the paper process as a backup; Information is relayed by	n/a	$ -	$ -	$ -	3
Alternative 1: Add ArcGIS Server with tablet mobile devices	Either establish an ELA with Esri or purchasing licenses individually, installation of servers and ArcGIS Server application, establish governance, hire one FTE for AFM Team, deploy approximately 180 mobile devices, user testing, process changes and training. Mobile devices deployed would	$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

5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
2012				$ -
2013	$ 200,000			$ 160,000
2014	$ 320,000	$ 126,000	$ (200,000)	$ 530,000
2015	$ 420,000	$ 300,000	$ (392,000)	$ 420,000
2016	$ 320,000	$ 350,000	$ (425,000)	$ 320,000
2017	$ 400,000	$ 400,000	$ (472,000)	$ -
2018	$ -	$ -	$ -	$ -
Total	$ 1,660,000	$ 1,176,000	$ (1,489,000)	$ 1,430,000

Associated Ers (list all applicable):

Current ER				

Mandate Excerpt (if applicable):

provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:

The hardware and software technology is advancing in such a manner that it will now benefit our field personnel to have a Mobility in the Field Program. We now have less expensive mobile devices to deploy along with a disconnected application for our field workers to be able to work offline and synch information back and forth when connection is successful to wi-fi or cellular. Advances in technology are making mobile capabilities more of a standard in doing business. Our field workers need to have the tools that make them more efficient in their work processes, able to post data quickly and have more information to ultimately benefit our customers.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability: ☐ Low Probability ☑ Medium Probability ☐ High Probability Enterprise Tech: ☑ YES - attach form ☐ NO or Not Required

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

AVISTA

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__ET-3.2

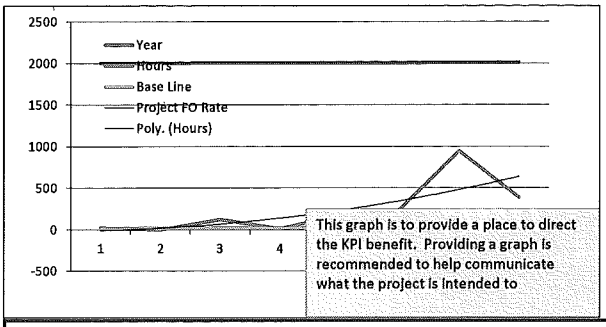
Contract Labor:	☑ YES ☐ NO	Facilities:	☑ YES - attach form ☐ NO or Not Required
		Capital Tools:	☐ YES - attach form ☐ NO or Not Required
		Fleet:	☐ YES - attach form ☐ NO or Not Required

Check 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 Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	To be determined by each project
	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

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Director/Manager

Other Party Review signature Margie Stevens
(if necessary) 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	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ET-4

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__ET-4.1

AVISTA

Investment Name:	Technology Refresh to Sustain Business Proce		
Requested Amount	$ 15,362,243	Assessments:	
Duration/Timeframe	10 Year Program	Financial:	Medium - >= 5% & <9% CIRR
Dept.., Area:	IS/IT	Strategic:	Life Cycle Programs
Owner:	Jacob Reidt/Jim Corder	Operational:	Operations require execution to perform at current levels
Sponsor:	Jim Kensok	Business Risk:	ERM Reduction >5 and <= 10
Category:	Program	Program Risk:	High certainty around cost, schedule and resources
Mandate/Reg. Reference:	n/a	Assessment Score:	89

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
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 infrastructures.	This program provides for current technologies for the normal operation of the business	$ 15,362,243		$ -	15

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Not doing this program will result in four major impacts: 1) Reduction of 62 staff members with key institutional knowledge 2) Decrease in business process efficiency 3) Increase in O&M labor to support the technology 4) increase technology outages impacting the operations of the business.	The performance of the computing technology at	$ -		$ 1,895,751	20
Technology Refresh Programs	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 infrastructures.	This program provides for current technologies for the normal	$ 15,362,243	$ -	$ -	15
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

Program Cash Flows

5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
	$ 9,973,758	$ -		$ 9,973,758
2013	$ 10,019,774	$ -	$ -	$ 11,110,491
2014	$ 12,129,043	$ -	$ -	$ 15,362,243
2015	$ 13,949,536	$ -	$ -	$ 16,094,833
2016	$ 17,183,753	$ -	$ -	$ 16,094,833
2017	$ 19,031,035	$ -	$ -	$ 16,094,833
2018	$ -	$ -	$ -	$ 18,094,833
2019	$ -	$ -	$ -	$ 20,094,833
Total	$ 72,313,141	$ -	$ -	$ 102,825,824

Associated Ers (list all applicable): 5005

Mandate Excerpt (if applicable):

provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:

Technology refresh program costs increase year over year to two main reasons. The first is because of the continuous technological evolution which causes oblolecence. Manufactures continue to upgrade and improve their systems to provide improved performance and function. This in turn requires companies to replace system on a periodic basis to maintain reliability and functionality. The second main reason is due to the addition of new hardware and software to support new business requirements and growth. New equipment purchased under Technology Expansion Program will have to be refreshed in 3-5 years adding to the refresh budget. For example, infrastructure refresh costs the increase from year to year due to prior years spend in Technology Expansion, roughly $800k in Distributed Systems and $500k in Network Systems per year. Business Application Expansion is up between 2011 & 2012 because of the inclusion of some small to medium projects into the expansion program.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☑ 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).
Contract Labor:	☑ YES	☐ NO		Facilities:	☑ YES - attach form	☐ NO or Not Required	
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required	
				Fleet:	☐ YES - attach form	☑ NO or Not Required	

Exhibit No.__(KKS-5)
Attachment No.__ET-4.2

AVISTA

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

Reviewed signature
Director/Manager

Other Party Review signature Margie Stevens
(if necessary) 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	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ET-5

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Exhibit No.__(KKS-5)
Attachment No.__ET-6

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__ET-6.1

AVISTA

Investment Name:	**Enterprise Security**		
Requested Amount	**$1,836,932**	**Assessments:**	
Duration/Timeframe	10 Year Program	Financial:	12%
Dept.., Area:	Enterprise Technology	Strategic:	Agile Technology Platforms
Owner:	Clay Storey/Jim Corder	Business Risk:	Business Risk Reduction >5 and <= 10
Sponsor:	Jim Kensok	Program Risk:	High certainty around cost, schedule and resources
Category:	Program		
Mandate/Reg. Reference:	n/a	Assessment Score:	#NAME?

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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.		$ 1,836,932	$ -	$ -	9

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	Address issues related to violations of the security and compliance as they arise and pay fines as there are assessed.	The risk of security incidents increases		$ -	$ 5,000,000	15
Alternative 1: Brief name of alternative (if applicable)	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.	Decreases the likelihood or severity of security incidents	$ 1,836,932	$ -	$ -	9
Alternative 2: Brief name of alternative (if applicable)			$ -	$ -	$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)			$ -	$ -	$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ 1,885,000	$ -	$ -	$ 1,885,000
2013	$ 1,885,000	$ -	$ -	$ 1,510,000
2014	$ 1,885,000	$ -	$ -	$ 1,935,000
2015	$ 1,885,000	$ -	$ -	$ 3,200,000
2016	$ 1,885,000	$ -	$ -	$ 3,200,000
2017	$ 1,885,000	$ -	$ -	$ 3,200,000
2018	$ -			$ 3,200,000
2019	$ -	$ -	$ -	$ 3,200,000
Total	$ 9,425,000	$ -	$ -	$ 19,445,000

Associated Ers (list all applicable):			
From 5014			

ER	2013	2014	2015	2016	2017	Total
						$ -
						$ -
						$ -
5014	$ 1,885,000	$ 1,885,000	$ 1,885,000	$ 1,885,000	$ 1,885,000	$ 9,425,000
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 1,885,000	$ 1,885,000	$ 1,885,000	$ 1,885,000	$ 1,885,000	$ 9,425,000

Mandate Excerpt (if applicable):

The program is not mandatory however project under the scope of this business case may be mandatory base on their specific requirements.

Additional Justifications:

2012 Budget Note: This program is being fund by a reduction in the Technology Refresh and Technology Expansion business cases, for $565k and $820k respectively. And $500,000 from Security Initiative Business Case (ER5002).

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probablity	Enterprise Tech:	☑ 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).
Contract Labor:	☑ YES	☐ NO		Facilities:	☑ YES - attach form	☐ NO or Not Required	
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required	
				Fleet:	☐ YES - attach form	☑ NO or Not Required	

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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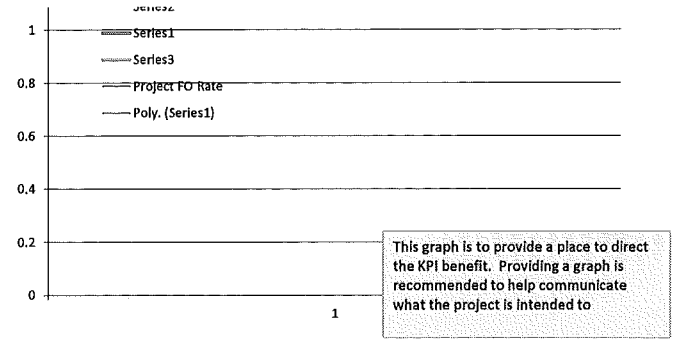
C:\Users\vff9457\Desktop\Indexed Business Cases For KKS-5\[SITVET-06 - Update - Enterprise Security

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__ET-6.2



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

Reviewed signature _____ Director/Manager

Other Party Review (if necessary) signature Margie Stevens Director/Manager

2013 Projects
- Certificate Management
- CVA expansion to SCADA and GCN
- Data loss prevention software and Data classification standards
- Email Encryption
- File Integrity Monitoring
- Network Access Control Phase 1
- Network Device Config Analysis Automation
- Network IPS Expansion
- Security monitoring expansion to GCC and SCADA (QRadar)
- Two factor authentication

2014 Projects
- SIEM & Qflow Refresh
- Controlled Access based on need to know
- SSPWR Internet Access
- Itron Security Appliances (SGDP) Refresh
- Asset management - Authorized & Unauthorized SW
- Identity Management Solution
- Controlled Use of Admin Privileges
- Password Vault

2015 Projects
- PKI Refresh
- CVA Hardware Refresh
- Web Services Security (O&M)
- Disk Encryption Refresh
- Network Device Config Analysis Refresh
- McAfee NSM & NIPS Refresh
- Malware Detection Appliance Refresh (FireEye)
- Limitation and Control of Network Ports, Protocols, and Services
- Configuration management tool
- Boundary Defense
- Application SW-Secure config
- Account Monitoring and Control
- HR Systems Integration w/Active Directory

2016 Projects
- Asset mgt/Auth & Unauth Devices Refresh
- Password Vault Refresh
- Network Access Control Refresh
- Identity Management Refresh
- Enterprise Reduced Sign-On
- Controlled Access based on need to know-Refresh

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ET-7

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $15,970[1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__ET-7.1

Investment Name:	**Technology Expansion to Enable Business Pro**	**Assessments:**	
Requested Amount	**$ 4,635,572**	Financial:	7.00%
Duration/Timeframe	10 Year Program	Strategic:	Agile Technology Platforms
Dept.., Area:	Enterprise Techonogy	Business Risk:	Business Risk Reduction >5 and <= 10
Owner:	Jacob Reidt/Jim Corder	Program Risk:	High certainty around cost, schedule and resources
Sponsor:	Jim Kensok		
Category:	Program		
Mandate/Reg. Reference:	n/a	Assessment Score:	#NAME?

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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.		$ 4,635,572	$ -	$ -	5

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	Without funding this program will not be able to deliver technology assets and application enhancement to provide for growth of the technology base or improvements to in-house developed applications. A consequence of not funding this program will be the loss of 20+ application FTE's who posess business knowledge that is not quickly or easily replaced.	n/a	$ -	$ -	$ -	15
Alternative 1: Brief name of alternative (if applicable)	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.		$ 4,635,572	$ -	$ -	5
Alternative 2: Brief name of alternative (if applicable)			$ -	$ -	$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)			$ -	$ -	$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ 7,792,700	$ -	$ -	$ 7,792,700
2013	$ 7,675,945	$ -	$ -	$ 5,648,113
2014	$ 7,835,572	$ -	$ -	$ 4,635,572
2015	$ 8,083,991	$ -	$ -	$ 5,799,088
2016	$ 7,559,940	$ -	$ -	$ 5,535,539
2017	$ 8,330,445	$ -	$ -	$ 5,799,088
2018	$ -	$ -	$ -	$ 5,799,088
2019	$ -	$ -	$ -	$ 7,496,234
Total	$ 39,485,893	$ -	$ -	$ 40,712,722

Associated Ers (list all applicable):			
5006			

amounts same as 2012 less 820k moved to new Enterprise Security

business case

ER	2013	2014	2015	2016	2017	Total
5006	$ 7,675,945	$ 7,835,572	$ 8,083,991	$ 7,559,940	$ 8,330,445	$ 39,485,893
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 7,675,945	$ 7,835,572	$ 8,083,991	$ 7,559,940	$ 8,330,445	$ 39,485,893

Mandate Excerpt (If applicable):

na

Additional Justifications:

Technology Expansion is being reduced in 2012 because the security specific items are being moved to an Enterprise Security business case. The CIRR for this business case is an approximation because the items in this business case are so interconnected with other department's initiatives it is very difficult to calculate.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☑ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☑ 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).
Contract Labor:	☐ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required	
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required	
				Fleet:	☐ YES - attach form	☑ NO or Not Required	

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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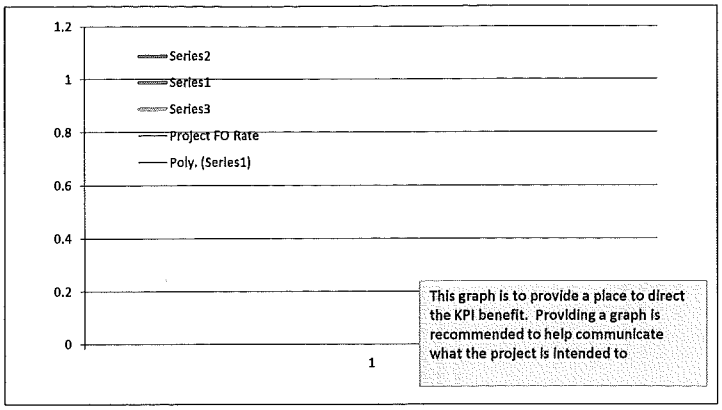
Capital Program Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__ET-7.2



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Reviewed signature
Director/Manager

Other Party Review signature Marci Stevens
(if necessary) Director/Manager

Please see attachment for descriptions of the work completed under this program.

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ET-9

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case

Exhibit No.__(KKS-5)
Attachment No.__ET-9.1

AVISTA

Investment Name:	**High Voltage Protection for Substations_Revise**	**Assessments:**	
Requested Amount	**$4,371,844**	Financial:	Medium - >= 5% & <9% CIRR
Duration/Timeframe	6 Year Project	Strategic:	Reliability & Capacity
Dept.., Area:	Enterprise Technology	Operational:	Operations require execution to perform at current levels
Owner:	Jacob Reidt/Jim Corder	Business Risk:	ERM Reduction >5 and <= 10
Sponsor:	Jim Kensok	Project/Program Risk:	High certainty around cost, schedule and resources
Category:	Mandatory	Assessment Score:	128
Mandate/Reg. Reference:	Yes		

Recommend Project Description:	**Performance**	**Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**ERM Risk Score**
High Voltage Protection to personnel and Telco equipment by fiber integration, demark relocation, & equipment remediation at suburban and rural substations.	describe any incremental changes that this project would benefit present operations	$ 3,820,309	$ (374,500)	$ -	3

Alternatives:		**Performance**	**Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**ERM Risk Score**
Status Quo :	Not repairing this situation has potential to increase the risk to Avista and/or telephone company personnel working near substations and the risk of damage to communications equipment caused by electrical faults.	n/a	$ -	$ -	$ 1,000,000	15
Alternative 1: Brief name of alternative (if applicable)	High Voltage Protection to personnel and equipment by fiber integration, demark relocation, & equipment remediation at suburban and rural substations.	16 substations integrated onto fiber network, reducing	$ 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 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	$ 1,243,989	$ -	$ -	$ 1,243,989
2012	$ 1,041,320	$ (18,000)	$ -	$ 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	Major Procurement	January-13	First fiber project close	December-14	RLH Construction
December-11	Previous Spend 2011	February-13	First remediation project close	December-15	RLH Construction
October-12	Major Procurement	March-13	Second remediation project close	December-16	RLH Construction
December-12	Previous Spend 2012	April-13	Future GridNet Sites engineering		
		July-13	HVP Shop labor finishes		
		December-13	Finalize GridNet Installation		

Associated Ers (list all applicable):	5119								
Mandate Excerpt (if applicable):	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, Modem, 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)*

Capital Investment Business Case

Exhibit No.__(KKS-5)
Attachment No.__ET-9.2

AVISTA

Internal Labor Availability:	☐ Low Probability	☑ Medium Probability	☑ High Probability	Enterprise Tech:	☑ YES - attach form	☐ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ YES - attach form	☑ NO or Not Required

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

Reviewed signature
Director/Manager

Other Party Revlew signature Margie Stevens
(if necessary) Director/Manager

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

Please see the follow link for CenturyLink (FKA Qwest) Tariff No. 1 that outlines the requirements for High Voltage Protection Circuits.
http%3A%2F%2Ftariffs.qwest.com%3A8000%2Fidc%2Fgroups%2Fpublic%2Fdocuments%2Ftariff%2Ffcc1_s013p021.pdf

This project was started in 2011 under ER5005 and is being moved out of ER5005 into its own Business Case.

To be completed by Capital Planning Group

Rationale for decision	Revlew Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ET-10

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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 [1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case

Exhibit No.__(KKS-5)
Attachment No.__ET-10.1

AVISTA

Investment Name:	**Next Generation Radio Refresh**		
Requested Amount	**$ 21,907,957**	**Assessments:**	
Duration/Timeframe	5 Year Project	Financial:	Medium - >= 5% & <9% CIRR
Dept., Area:	Enterprise Technology	Strategic:	Agile Technology Platforms
Owner:	Jacob Reidt/Jim Corder	Operational:	Operations require execution to perform at current levels
Sponsor:	Jim Kensok	Business Risk:	ERM Reduction >5 and <= 10
Category:	Mandatory	Project/Program Risk:	High certainty around cost, schedule and resources
Mandate/Reg. Reference:	FCC Narrow Banding Mandate (See below)	Assessment Score:	128

Recommend Project Description:	**Performance**	**Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**ERM Risk Score**
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 Land Mobile Radio 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.	The current radio system will not meet the required mandate and due for refresh.	$ -	$ -	$ -	0

Alternatives:		**Performance**	**Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**ERM Risk Score**
Status Quo:	Describe the current condition of the asset(s) and problems that need to be corrected	n/a	$ -	$ -	$ -	0
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)

		Capital Cost	O&M Cost	Other Costs	Approved
Actual	Previous	$ 11,327,464	$ -	$ -	$ 11,327,464
Forecast	2012	$ 8,003,573	$ -	$ -	$ 4,262,000
	2013	$ 2,997,260	$ -	$ -	$ 2,585,260
	2014	$ 3,946,378	$ -	$ -	$ 3,275,207
	2015	$ 27,000	$ -	$ -	$ 458,026
	2016	$ -	$ -	$ -	$ -
	2017	$ -	$ -	$ -	$ -
	2018	$ -	$ -	$ -	$ -
	Future	$ -	$ -	$ -	$ -
	Total	$ 26,301,675	$ -	$ -	$ 21,907,957

Rebaselined after completion of Design & Planning

Milestones (high level targets)

February-08	Project Started	December-15	year end actual
December-11	year end actual		
December-12	year end actual		
December-13	year end actual		
December-14	year end actual		

Associated Ers (list all applicable):	5106							
Mandate Excerpt (if applicable):	na							

Additional Justifications:

Capital Investment Business Case

AVISTA

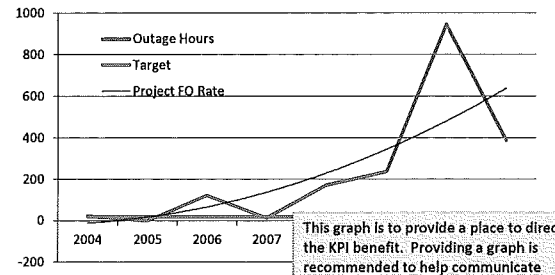
Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☐ High Probability	Enterprise Tech:	☐ YES - attach form	☐ NO or Not Required
Contract Labor:	☐ YES	☐ NO		Facilities:	☐ YES - attach form	☐ NO or Not Required
				Capital Tools:	☐ YES - attach form	☐ NO or Not Required
				Fleet:	☐ YES - attach form	☐ NO or Not Required

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



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

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Reviewed signature
Director/Manager

Other Party Review signature Margi Stevens
(if necessary) Director/Manager

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

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ET-11

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $6,244[1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Project Business Case

Exhibit No.__(KKS-5)
Attachment No.__ET-11.1

Investment Name:	Microwave Refresh		
Requested Amount	$ 23,204,063	**Assessments:**	
Duration/Timeframe	7 Year Project	Financial:	10.50%
Dept., Area:	Enterprise Technology	Strategic:	Reliability & capacity
Owner:	Jacob Reidt/Jim Corder	Business Risk:	Business Risk Reduction >5 and <= 10
Sponsor:	Jim Kensok	Project Risk:	Moderate certainty around cost, schedule and resources
Category:	Project		
Mandate/Reg. Reference:	n/a	Assessment Score:	84

Recommend Project Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
The purpose of this project is to refresh the aging microwave technology with current technology to provide for the high speed data communicatlons. These communication systems support relay and protection schemes of the electrical transmission system.	The current system are out of date and in need of replacement	$ 8,400,000	$ 840,000	$ -	8

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Project:	Remaining at the status quo will increase Avista's risk of failure of these critical communication systems, which could have significant impact on Avista's transmission capacity and ability to serve our customers electrical needs.	n/a	$ -	$ -	$ 1,000,000	15
Alternative 1: Brief name of alternative (if applicable)	The purpose of this project is to refresh the aging microwave technology with current technology to provide for the high speed data communications. These communication systems support relay and protection schemes of the electrical transmission system.	The current system are out of date and in need of	$ 8,400,000	$ 840,000	$ -	8
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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ 2,910,116	$ -	$ -	$ 2,910,116
2012	$ 1,559,877	$ -	$ -	$ 1,200,000
2013	$ 1,500,000	$ -	$ -	$ 1,500,000
2014	$ 1,657,391	$ -	$ -	$ 917,462
2015	$ 2,276,679	$ -	$ -	$ 2,276,679
2016	$ 4,050,000	$ -	$ -	$ 3,050,000
2017	$ 4,100,000	$ -	$ -	$ 3,050,000
2018	$ 4,100,000	$ -	$ -	$ 4,100,000
2019	$ -	$ -	$ -	$ 5,100,000
2020+	$ 1,050,000	$ -	$ -	$ -
Total	$ 23,204,063	$ -	$ -	$ 24,104,257

Associated Ers (list all applicable):			
5119			

ER	2015	2016	2017	2018	2019	Total
5119	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -	$ -	$ -

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.

Milestones (high level targets)

December-11	NLW-SHN Prior	December-12	M15-NLW 2012	December-15	MW to Fiber
December-12	NLW-SHN 2012	December-13	M15-NLW 2013	December-16	MW to Fiber
December-13	NLW-SHN 2013	December-12	Fiber to Lew Off 2012	December-17	MW to Fiber
December-11	M23-SPU Prior	December-13	Fiber to Lew Off 2013	December-18	MW to Fiber
December-12	M23-SPU 2012	December-14	Missing row in Actual Progress and	December-19	MW to Fiber
December-13	M23-SPU 2013	December-14	MW to Fiber	December-20	MW to Fiber

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Capital Project Business Case

Exhibit No.__(KKS-5)
Attachment No.__ET-11.2

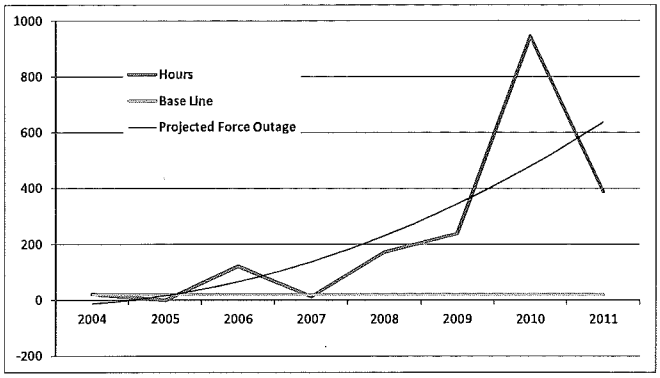
Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☐ High Probability	Enterprise Tech:	☐ YES - attach form	☐ NO or Not Required	Capital Tools:	☐ YES - attach form	☐ NO or Not Required
Contract Labor:	☐ YES	☐ NO		Facilities:	☐ YES - attach form	☐ NO or Not Required	Fleet:	☐ YES - attach form	☐ NO or Not Required

Capital Project Business Case

Exhibit No.__(KKS-5)
Attachment No.__ET-11.3

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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Director/Manager

Other Party Review signature Maggie Stevens
(if necessary) Director/Manager

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

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-1

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Investment Name:	**Colstrip Transmission**
Requested Amount	**$491,434**
Duration/Timeframe	20 Year Program
Dept.., Area:	Transmission
Owner:	Jeff Schlect/Heather Rosentrater
Sponsor:	Don Kopczynski
Category:	Program
Mandate/Reg. Reference:	Program

Assessments:

Financial:	7.00%
Strategic:	Reliability & capacity
Business Risk:	Business Risk Reduction >10 and <= 15
Program Risk:	High certainty around cost, schedule and resources
Assessment Score:	#NAME?

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
For capital upgrades and replacement and for O&M expenses for the jointly owned 500 kV Colstrip Transmission System. Program funding is used as transmission assets reach end-of-life, requiring replacment or upgrade. 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 to meet new operating standards and requirements. Some upgrades may be initiated by NERC reliability standards, growth, and third-party	Improved performance, upgraded equipment, better status & control, new life cycle.	$ 491,434	$ 329,778	$ -	4

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	Non-compliant operational capabilities and practices would result in negative audit findings, financial penalties, and litigation expenses due to breach of contract with other joint owners. Obsolete equipment would remain in service until failure.	Severe negative system reliability and compliance impacts	$ -	$ -	$ -	16
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	$ -	$ -	$ -	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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2014	$ 368,887	$ 392,583	$ -	$ 368,887
2015	$ 491,434	$ 329,778	$ -	$ 491,434
2016	$ 496,535	$ 302,751	$ -	$ 496,535
2017	$ 515,928	$ 295,977	$ -	$ 515,928

Associated Ers (list all applicable):			
2214			

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2018	$ 591,507	$ 296,871	$ -	$ 591,507
2019	$ 421,521	$ 292,209	$ -	$ 421,521
2020+	$ -	$ -	$ -	$ -
Total	$ 2,885,812	$ 1,910,168	$ -	$ 2,885,812

ER	2015	2016	2017	2018	2019	Total
2214	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -	$ -	$ -

Mandate Excerpt (if applicable):

NERC reliability standards are being continually developed and revised. New and revised standards are expected to address emergency operations, transmission operations, critical infrastructure protection, communications, and balancing authority operations. (See

Additional Justifications:

This program is for capital replacement and upgrades and for operations and maintenance expenses for the jointly owned 500 kV Colstrip Transmission System. Cuts to this program need to be closely evaluated to assure that reliable and compliant operations are not impacted and that Avista would not be in breach of contract with other joint transmission owners.

Resources Requirements: *(request forms and approvals attached)*

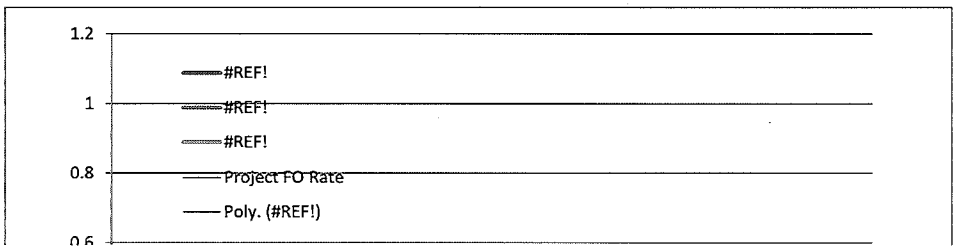
Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ YES - 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 commitment).

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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Director/Manager

Exhibit No.___ (DCG-20)
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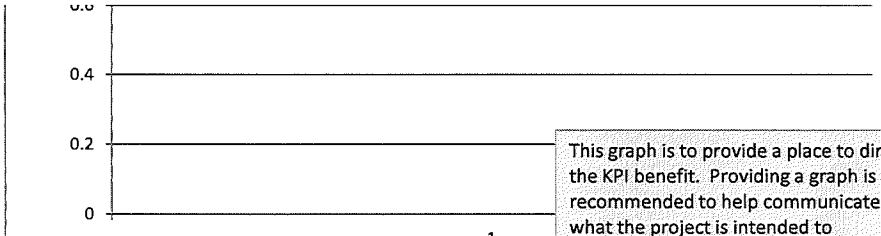
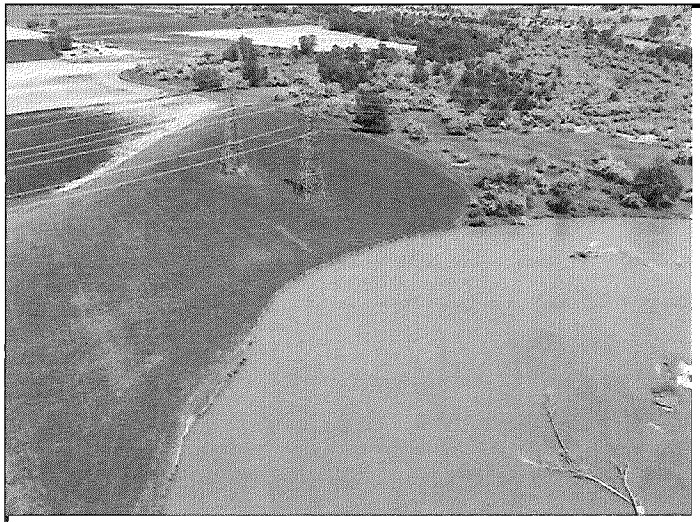
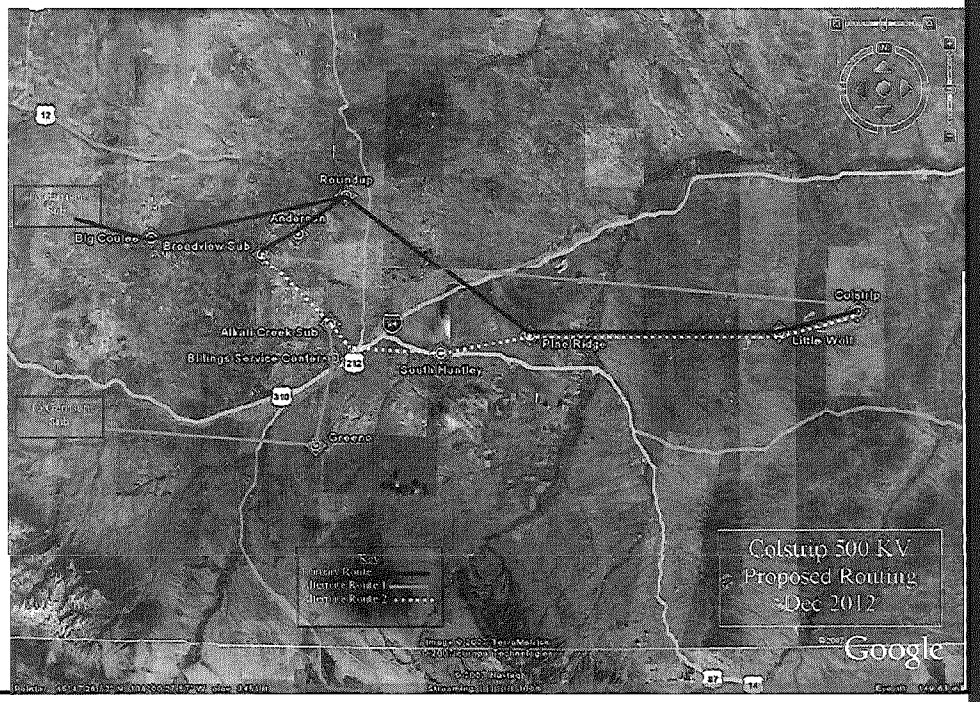


This graph is to provide a place to direct the KPI benefit. Providing a graph is recommended to help communicate what the project is intended to

Other Party Review (if necessary) signature Margie Stevens Director/Manager





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Attachment No.__ETD-1.3

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Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-2

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $ 31,586 [1]

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.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Investment Name:	**Distribution Grid Modernization**
Requested Amount	**See Plan Below**
Duration/Timeframe	Indefinite Year Program
Dept.., Area:	Electrical Engineering
Owner:	Troy A. Dehnel
Sponsor:	Don Kopczynski
Category:	Program
Mandate/Reg. Reference:	n/a

Assessments:

Financial:	MH - >= 9% & <12% CIRR
Strategic:	Life-cycle asset management
Business Risk:	Business Risk Reduction >15
Program Risk:	High certainty around cost, schedule and resources
Assessment Score:	133

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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. The average cost to rebuild each feeder is estimated to be $3.5M.	When completed save an average of 1,970 MWh* annually & Reduce Outages	$ 21,000,000	$ -	$ 198,000	4

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	No systematic plan for wholistic address of conductors, reconfiguring services for better access, or adding devices that benefit the performance of the feeder.	n/a	$ 120,000	$ -	$ 1,980,000	25
Alternative 1: Brief name of alternative (if applicable)	The Dist Grid Modernization Program provides benefits to customers, employees, and shareholders by replacing problematic poles, cross-arms, cut-outs, transformers, conductor, etc. In addition, adding switched capacitor banks and smart grid devices is of benefit due to increased energy efficiency	When completed save an average of 1,970 MWh* annually & Reduce Outages	$ 21,000,000	$ -	$ 198,000	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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ 7,308,357	$ -	$ -	$ 7,308,357
2014	$ 8,686,019	$ -	$ -	$ 9,586,000
2015	$ 11,000,000	$ -	$ -	$ 11,000,000
2016	$ 11,000,000	$ -	$ -	$ 11,000,000
2017	$ 13,000,000	$ -	$ -	$ 13,000,000
2018	$ 15,000,000	$ -	$ -	$ 15,000,000
2019	$ 15,000,000	$ -	$ -	$ 15,000,000

Associated Ers (list all applicable):			
Dist Grid Moderniz	2470		

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Attachment No.__ETD-2.1

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2020+	$ 21,000,000	$ -	$ -	$ -
Total	$ 101,994,376	$ -	$ -	$ 81,894,357

ER	2015	2016	2017	2018	2019	Total
Dist Grid Modernization	$ -	$ -	$ -	$ -	$ -	$ -
2470	$ 11,000,000	$ 11,000,000	$ 13,000,000	$ 15,000,000	$ 15,000,000	$ 65,000,000
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 11,000,000	$ 11,000,000	$ 13,000,000	$ 15,000,000	$ 15,000,000	$ 65,000,000

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.

Resources Requirements: *(request forms and approvals attached)*

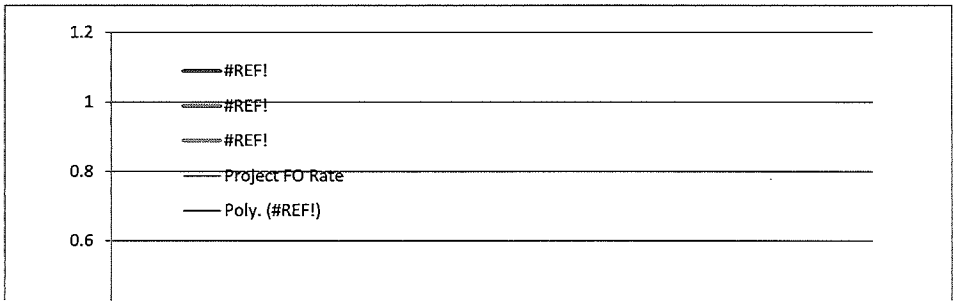
Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probablity	Enterprise Tech:	☐ YES - attach form	☐ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☐ NO or Not Required
				Capital Tools:	☐ YES - attach form	☐ NO or Not Required
				Fleet:	☑ YES - 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 Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	EVM, CPI, SPI
	Fill in the name of the KPI here



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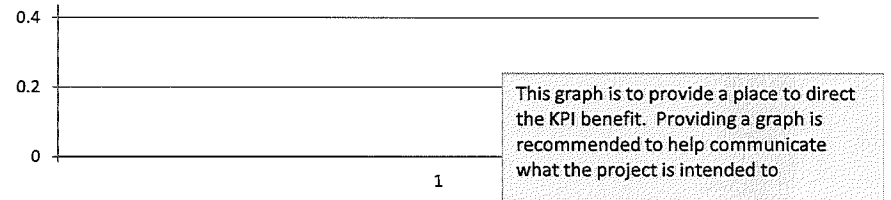
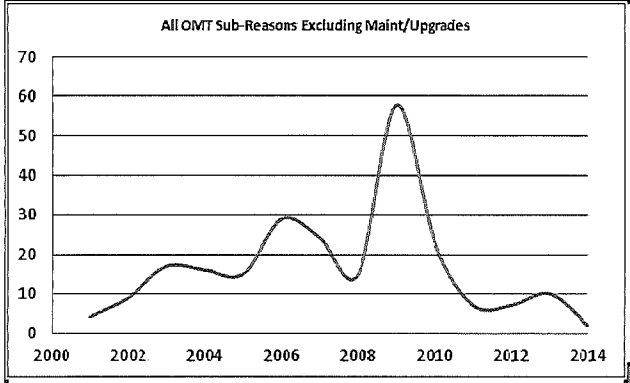
Director/Manager

Other Party Review signature Margie Stevens



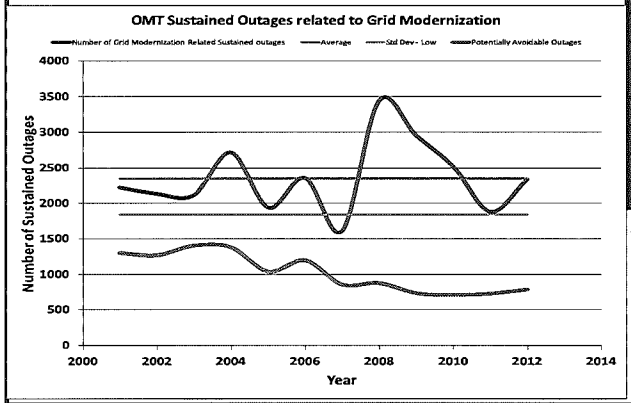
This graph is to provide a place to direct the KPI benefit. Providing a graph is recommended to help communicate what the project is intended to

(if necessary) Director/Manager



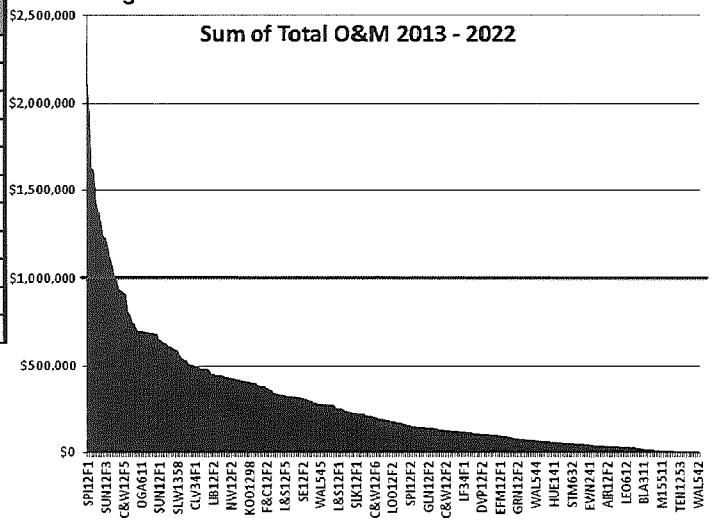
Actual Energy Savings

Feeder	Area	Year Complete	Annual Energy Savings (MWh)
9CE12F4	Spokane, WA (9th	2009	601
BEA12F1	Spokane, WA	2012	972
F&C12F2	Spokane, WA	2012	570
BEA12F5	Spokane, WA	2014	885
WIL12F2	Wilbur, WA	2015	1,403
CDA121	Coeur d'Alene, ID	2014	438
		Total	**4,869**



Estimated Outage Costs by Feeder Projected out 10 Years	
Feeder	2022
SPI12F1	$2,185,995
NE12F4	$2,074,839
NE12F2	$1,440,185
SE12F4	$1,414,351
FWT12F2	$1,370,184
COB12F1	$1,328,172
CDA122	$1,230,638
SUN12F3	$1,220,204
C&W12F5	$1,088,570
PUL116	$1,043,097
CLV34F1	$1,011,177

O&M Outage Reduction



To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-3

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $ 500 [1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Investment Name:	**Distribution Line Protection**		
Requested Amount	**875,000 5-years**	**Assessments:**	
Duration/Timeframe	On-going Year Program	Financial:	MH - >= 9% & <12% CIRR
Dept.., Area:	Engineering	Strategic:	Life Cycle Programs
Owner:	Dave James	Operational:	Operations require execution to perform at current levels
Sponsor:	Kopczynski/Fisher	Business Risk:	ERM Reduction >5 and <= 10
Category:	Program	Program Risk:	Moderate certainty around cost, schedule and resources
Mandate/Reg. Reference:	n/a	Assessment Score:	93

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**ERM Risk Score**
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 minimize the number of affected customers. Engineering recommends treatment of the following: 1. Removal and replacement of Chance Cutouts 2. Removal and replacement of Durabute cutouts 3. Installation of cut-outs on unfused lateral circuits. This is a targeted program to ensure adequate protection of lateral circuits and to replace known defective equipment.	Investments necessary to maintain current operations and to extend the life of current assets.	$ 250,000	$ 10,000		8

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**ERM Risk Score**
Unfunded Program:		n/a	$ -	$ -	$ -	15
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	$ -	$ -	$ -	8
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

Program Cash Flows

5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
2013	$ 250,000	$ 5,000	$ -	$ 250,000
2014	$ 250,000	$ 10,000	$ -	$ 250,000
2015	$ 125,000	$ 10,000	$ -	$ 125,000
2016	$ 125,000	$ 10,000	$ -	$ 125,000
2017	$ 125,000	$ 5,000	$ -	$ 125,000
2018	$ -	$ -	$ -	$ 125,000
2019	$ -	$ -	$ -	$ 125,000
Total	$ 875,000	$ 40,000	$ -	$ 1,125,000

Associated Ers (list all applicable):

Current ER	
2416	System Wide

Mandate Excerpt (if applicable):

Additional Justifications:

This program was funded for a 2-year period in the 2009-2010 timeframe. This request allows for completion of the Chance cutout replacements but also includes the installation of devices on unfused laterals.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probablity	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☐ YES	☑ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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).

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__ETD-3.2

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	# Cutout Replacement
	# New Cutout Installation

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Reviewed signature
Director/Manager

Other Party Review (if necessary) signature Margie Stevens
Director/Manager

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Spokane, N & W

Davenport 12F2 Convert FDR to UG
Rexboro 751 - Reinf 2.5 mi
S Othello 521 - Recond
Long Lake - Cnv OH to UG (USFWS)
3HT 12F2- Waste Water
Monroe St Secondary Ckt Recond
Millwood 12F4- Recond 0.5 mi
Colbert 12F1 - Recond 4/0 ACSR
NE 12F2 - Tie to NE 12F4
SE 12F2 - Tower MT
Liberty Lk 12F2 - Henry Rd Tie
NE 12F1 Recond & Split FDR
9CE 12F4 - Recond 366
Fort Wright 12F1- Recond 1 mi
Deer Park 12F2 - Recond 2/0 ACSR
NE 12F2 - Tie to WAK 12F3
Barker 12F2 - Tie to EFM 12F1
East Farms 12F1 - Recond 1.5 Mi
Fort Wright 12F4 - Recond 900'
9CE 12F1 - Tie to BEA 12F6
9CE 12F2 - Tie to Chester 12F2
Silver Lk 12F1 - Recond 2.1 mi
Third & Hatch 12F1 - Tie to 12F7
C&W 12F4 - Tie to 3HT 12F7
Chester 12F4 - Recond 1.75 mi
9CE 12F3/Bea 12F1 - Recond 1 mi
Sunset 12F1- Recond 1.5 mi
9CE 12F1- Tie to 9CE 12F3 Bridwy 0.5 mi
MIL 12F1 Recond 1/0 CU 0.8 mi
CHE 12F3 Recond 2/0 CU 3 mi
BKR 12F3 Recond 2/0 ACSR 1 mi
BKR 12F3 Recond 1 mi
MIL 12F2 Recond 0.5 mi
Colville 34F1 - Hwy 25N Recond
Gifford 34F1 - Replace Neutral
Orin 12F3-Recond 2.4 mi
Colville 12F2 - Recond 2 mi
Colville 12F2 - Recond 4.7 mi Oakshot
CHW12F2 - Recond 0.25 mi - town
CHW12F2- Angel Pk Recond 0.75mi
Orin 12F1 and Colv 12F2 Viper Midline
GRN12F1 Tie to CLV12F2 4.5 mi
GIF 34F1 - CHW 12F3 FDR Tie
Orin 12F2 - Recond 1.2 mi
GRN12F2 Recond 4.1 Mi Old Kettle Rd
CLV12F4 Recond 1.6 mi
KET12F2 - Chg FDR Voltage to 13.2 KV
CLV34F1- Kelly Hill Rbld
CHW12F2- Flowery Trail Recond
GIF34F1&2, CLV34F1- 3 Midlines
Colville Area Switched Banks

CDA and E

Sandpoint 4522 - Recond 0.7 mi
Old Town - Dx Tie Recond
Dalton 131 Recond 1.5 mi
Dalton 131 - Recond 1.4 mi
Avondale 151 - Recond 1.5 mi
Dalton 131 - Recon 0.8 mi (lakeshore)
Dalton 133 - Add 1-ph 3.1 miles
PF 213 - Recond 1.2 mi Riverbend Pk
Dalton 134- Coldwater Ck Loop
Pleasant View 241 - Ext 1 mi
Blue Ck 321- Recond 1.2 mi
Dalton 131 - Extend 0.5 mi
Pine Ck 424- Recond 1 mi
Wallace 542 - Relocate 1.5 mi to bike tr
Ogara 611 - Recond 1.5 mi
Rathdrum 233- UG 1 mi (Syfte Ranch)
Lucky Fri 552 - Add FDR
CDA - Osprey mitigation
Huetter 142 - Extend 3ph 0.5 mi
Blue Ck-321 Recond 3 mi
Lakeview 343 - Conv 6 mi to UG
Wallace 544-Recond for Star Mine

Palouse & L/C

Holbrook 1206 - Recond 3700'
Orofino 1281
10th&Stewart 1253 tie to 1256
10th&Stewart 1253 - 1 mi recond & regs
S Lewiston 1358 Extend
CFD 1210 - Recond #6 CU
Palouse 312 - Add Phase
Moscow 515 tie to 512
Ewan 241 Midline Regs

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Printed 01-06-2015
O:\RYAN\2015 WA GRC\Business Cases\2014 Transmission and Distribution\2015 - ETD-03 Distribution Line Protection 2276\Business Case\Distribution Line Protection

Exhibit No.__(KKS-5)
Attachment No.__ETD-4

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Investment Name:	**Distribution Minor Rebuild**		
Requested Amount	**$ 8,300,000**	**Assessments:**	
Duration/Timeframe	On-Going Year Program	Financial:	7.00%
Dept., Area:	Operations	Strategic:	Reliability & capacity
Owner:	Bryan Cox	Business Risk:	Business Risk Reduction >15
Sponsor:	Don Kopczynski	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Program		
Mandate/Reg. Reference:	n/a	Assessment Score:	102

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease)** Capital Cost	O&M Cost	Other Costs	Business Risk Score
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).	describe any incremental changes that this Program would benefit present operations	$ 8,300,000	$ -	$ -	4

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease)** Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	If we do not respond, we would not be addressing the minor rebuild jobs to maintain our distribution system. This program also includes responding to trouble calls. There would be potential public safety issues if our crews do not repsond.	n/a	$ -	$ -	$ -	20
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	$ -	$ -	$ -	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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2014	$ 8,500,000	$ -	$ -	$ 8,300,000
2015	$ 8,300,000	$ -	$ -	$ 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

Associated ERs (list all applicable):			
2055			

ER	2015	2016	2017	2018	2019	Total
2055	$ 8,300,000	$ 8,549,000	$ 8,805,470	$ 9,069,634	$ 9,341,723	$ 44,065,827
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 8,300,000	$ 8,549,000	$ 8,805,470	$ 9,069,634	$ 9,341,723	$ 44,065,827

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.

Resources Requirements: *(request forms and approvals attached)*

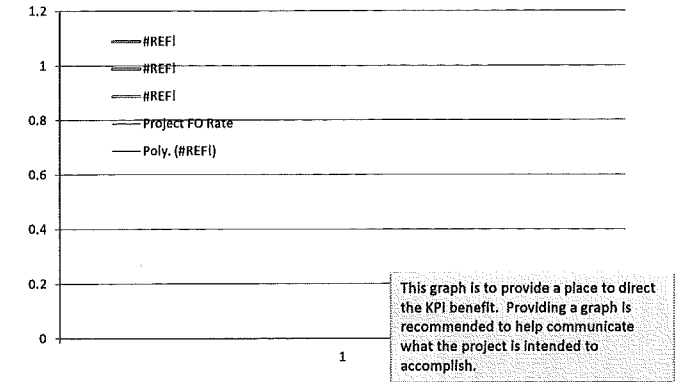
Internal Labor Availability:	☐ Low Probability	☑ Medium Probability	☐ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ YES - 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 Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	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 accomplish.

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Reviewed signature
Director/Manager

Other Party Review signature Maggie Stevens
(if necessary) 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	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-5

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__ETD-5.1

AVISTA

Investment Name:	**Distibution Transformer Change-Out Program**		
Requested Amount	**$ 7,000,000**	**Assessments:**	
Duration/Timeframe	25 Year Program	Financial:	Medium - >= 5% & <9% CIRR
Dept., Area:	Asset Management & Process Improvement	Strategic:	Life Cycle Programs
Owner:	Glenn Madden (Manager) & Al Fisher (Dir)	Operational:	Operations require execution to perform at current levels
Sponsor:	Don Kopczynski	Business Risk:	ERM Reduction >5 and <= 10
Category:	Program	Program Risk:	High certainty around cost, schedule and resources
Mandate/Reg. Reference:	n/a	Assessment Score:	89

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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 and their replacement will result in energy savings. Thirdly, pre-1981 transformers have the potential to have pcb containing oil. The transformers to be removed early in the program are those that are most likely to have pcb containing oil and their replacement will reduce the risk of pcb containing oil spills which are a safety, environmental, and a public relations concern.	When completed save an average of 5.6 MW per hour and eliminate PCB environmental risks	$ 5,800,000	$ 105,000	$ -	3

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	No planned replacement program for distribution transformers. Substancially higher risk of a pcb containing oil spill occuring.	n/a	$ 4,500,000	$ 200,000	$ 900,000	12
Alternative 1: Transformer Change-Out Program	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.	When completed save an average of 5.6 MW per	$ 5,800,000	$ 105,000	$ -	3
Alternative 2:	Distribution Engineering has proposed that any pole that the TCOP does work on needs to have the guy replaced with the new standard guy insulator (fiber cable).		$ 200,000	$ -	$ -	0
Alternative 3 Name:			$ -	$ -	$ -	0

Program Cash Flows

5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
2012	$ 7,000,000	$ 100,000	$ -	$ 6,000,000
2013	$ 7,200,000	$ 102,000	$ -	$ 2,924,015
2014	$ 5,800,000	$ 105,000	$ -	$ 3,944,000
2015	$ 5,800,000	$ 107,000	$ -	$ 4,700,000
2016	$ 5,800,000	$ 110,000	$ -	$ 4,700,000
2017				$ 1,100,000
2018				$ -
Total	$ 31,600,000	$ 524,000	$ -	$ 23,368,015

Associated Ers (list all applicable):

Current ER	1003			
	2060			
	2535			

Mandate Excerpt (if applicable):

Additional Justifications:

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ YES - attach form	☑ NO or Not Required

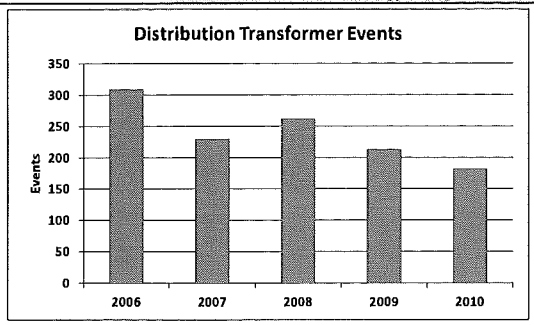
Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm committment).

Exhibit No.__(KKS-5)
Attachment No.__ETD-5.2

AVISTA

Key Performance Indicator(s)
Expected Performance Improvements

KPI Measure:	Distribution Transformer Events	Distribution Transformer Oil Spills
	Distribution Transformer Energy Savings	



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Director/Manager

Other Party Review signature
(if necessary) Director/Manager

2006	309
2007	230
2008	262
2009	213
2010	182

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-6

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $ 31,550 [1]

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.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Investment Name:	**Distribution Wood Pole Management**		
Requested Amount	**Estimated Total Capital Expense**	**Assessments:**	
Duration/Timeframe	Indefinite Year Program	Financial:	7.42%
Dept.., Area:	Asset Maintenance	Strategic:	Life-cycle asset management
Owner:	Glenn Madden (Manager) & Heather Rosentrater/A	Business Risk:	Business Risk Reduction >5 and <= 10
Sponsor:	Don Kopczynski	Program Risk:	High certainty around cost, schedule and resources
Category:	Program		
Mandate/Reg. Reference:	NESC - See WPM Compliance Plan for details	Assessment Score:	#NAME?

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Distribution Wood Pole Management Program inspects all Electric Distribution Feeders on a 20 year cycle and repairs or replaces wood poles, crossarms, 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	Customer IRR = 7.42% and avoids an average of 1,700 additional events per year	$ 11,172,022	$ 530,943	$ 5,996,350	15

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Status Quo : No Wood Pole Management	Run wood poles and associated equipment to failure	Increase OMT events by 1,700 events	$ 8,186,361		$ 6,834,467	25
Alternative 1: Distribution Wood Pole Management - 20 Year Inspection Cycle	Distribution Wood Pole Management Program inspects all Electric Distribution Feeders on a 20 year cycle and repairs or replaces wood poles, crossarms, missing lightning arresters, missing grounds, bad cutouts, bad insulating pins, bad insulators, leaking transformers, and replaces pre-1981	Customer IRR = 7.94% and avoids an average of 1,700 additional events per year	$ 10,712,022	$ 530,943	$ 5,996,350	15
Alternative 2: Distribution Wood Pole Management - 20 Year Inspection Cycle with Guy Wire	Distribution Wood Pole Management Program inspects all Electric Distribution Feeders on a 20 year cycle and repairs or replaces wood poles, crossarms, missing lightning arresters, missing grounds, bad cutouts, bad insulating pins, bad insulators, leaking transformers, replaces guy wires not	Customer IRR = 7.42% and avoids an average of 1,700 additional events per year	$ 11,172,022	$ 530,943	$ 5,996,350	15
Alternative 3 Name : Distribution Wood Pole Management - 10 Year Inspection Cycle with Guy	Distribution Wood Pole Management Program inspects all Electric Distribution Feeders on a 10 year cycle and repairs or replaces wood poles, crossarms, missing lightning arresters, missing grounds, bad cutouts, bad insulating pins, bad insulators, leaking transformers, replaces guy wires not	Customer IRR = 7.66% and avoids an average of 2,250 additional events per year	$ 17,296,437	$ 961,699	$ 4,920,632	10

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ 9,893,700	$ 507,337	$ -	$ 9,486,300
2013				$ 9,281,686
2014	$ 11,500,000	$ 519,006	$ -	$ 9,550,000
2015	$ 11,500,000	$ 530,943	$ 4,540,023	$ 11,000,000
2016	$ 11,500,000	$ 543,155	$ 4,564,898	$ 11,000,000
2017	$ 15,000,000	$ 555,648	$ 4,574,638	$ 12,000,000
2018	$ 15,000,000	$ 570,094	$ 4,588,630	$ 12,000,000

Associated Ers (list all applicable):			
2060			

Exhibit No.___ (DCG-20)
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Page 219 of 303

Exhibit No.__(KKS-5)
Attachment No.__ETD-6.1

AVISTA

2019	$ -	$ -	$ -	$ 15,000,000
Total	$ 64,500,000	$ 2,718,846	$ 18,268,188	$ 70,550,000

ER	2014	2015	2016	2017	2018	Total
2060	$ -	$ -	$ -	$ -	$ -	$ 8,062
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -		

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

Additional Justifications:

Any supplementary information that may be useful in describing in more detail the nature of the Project, the urgency, etc.

Resources Requirements: *(request forms and approvals attached)*

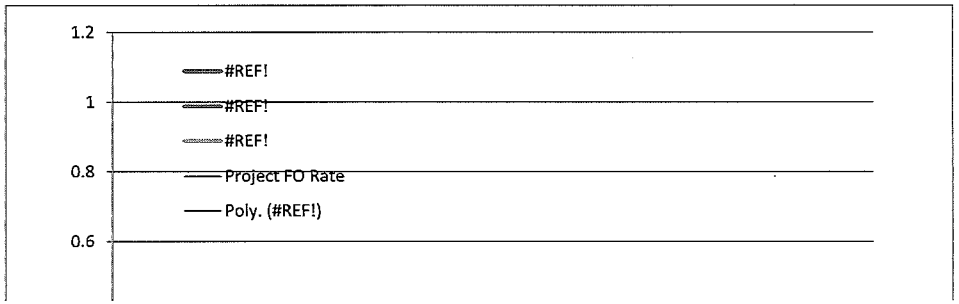
Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probablity	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:		

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 Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	WPM Related OMT Events
	Miles of Followup work completed compared to the annual goal



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Reviewed signature
Director/Manager

Other Party Review signature Maggie Stevens
(if necessary) Director/Manager

Exhibit No.___ (DCG-20)
Dockets UE-150204/UG-150205
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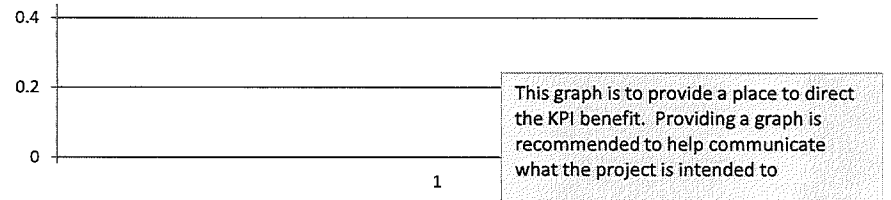
Exhibit No.__(KKS-5)
Attachment No.__ETD-6.2



	WPM Estimate for each years wo	Guy Wire Replacem		Total	Proposed WPM Capital Budget
WPM 2014:	$10,712,022	+ $460,000	=	$11,172,022	$11,172,022
WPM 2015:	$10,673,453	+ $460,000	=	$11,133,453	$11,389,522
WPM 2016:	$10,571,162	+ $460,000	=	$11,031,162	$11,544,431
WPM 2017:	$10,608,892	+ $460,000	=	$11,068,892	$11,850,347
WPM 2018:	$10,585,416	+ $460,000	=	$11,045,416	$12,097,193

To be completed by Capital Planning Group

Rationale for decision

Review Cycles

2012-2016

Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-7

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $ 940 [1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Project Business Case

Exhibit No.__(KKS-5)
Attachment No.__ETD-7.1

AVISTA

Investment Name:	**Minor Meter Blanket**		
Requested Amount	**Estimated Total Capital Expenditure**	**Assessments:**	
Duration/Timeframe	0.2 Year Project	Financial:	12.56%
Dept., Area:	Electric Meter Shop	Strategic:	Reliability & Capacity
Owner:	Heather Rosentrater	Business Risk:	Business Risk Reduction >5 and <= 10
Sponsor:	Don Kopczynski	Project Risk:	High certainty around cost, schedule and resources
Category:	Project		
Mandate/Reg. Reference:	n/a	Assessment Score:	#NAME?

Recommend Project Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
The existing power line carier system for reading meters has failed and is not repairable. This project will replace the existing TURTLE meters with TWACs meters and replace substation equipment with TWACS equipment. 2/18/14 - requested carryover of $50k for work approved in 2013 but not finished until July 2014. Separate item - $390k increase associated with electric meter replacement non-revenue. Transfer from ER2059 as in prior years the charges associated with this work was allocated to ER2059. Total increase of $440k transfered from ER2059 - Storms.	Reduce overtime from meter reading and bill estimation	$ 90,000	$ 120	$ -	2

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	The Turtle meters will be hand read when they can and estimated through the winter.	n/a	$ -	$ 14,515	$ -	12
Alternative 1: Brief name of alternative (if applicable)	Replace with Fixed Network	Could only cover a percentage of the meters and	$ 55,000	$ 60	$ -	2
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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2013	$ 90,000	$ -	$ -	$ 90,000
2014	$ 15,000	$ -	$ -	$ 340,000
2015	$ 15,000	$ -	$ -	$ 300,000
2016	$ 15,000	$ -	$ -	$ 300,000
2017	$ 15,000	$ -	$ -	$ 300,000
2018	$ -	$ -	$ -	$ 300,000
2019	$ -	$ -	$ -	$ 300,000
Total	$ 150,000	$ -	$ -	$ 1,930,000

Associated Ers (list all applicable):			

ER	2013	2014	2015	2016	2019	Total
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -	$ -	$ -

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.

Milestones (high level targets)

January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open

Milestones should be general. Use your judgement on project progress so that progress can

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☐ High Probability	Enterprise Tech:	☐ YES - attach form	☐ NO or Not Required	Capital Tools:	☐ YES - attach form	☐ NO or Not Required
Contract Labor:	☐ YES	☐ NO		Facilities:	☐ YES - attach form	☐ NO or Not Required	Fleet:	☐ YES - attach form	☐ NO or Not Required

Capital Project Business Case

Exhibit No.__(KKS-5)
Attachment No.__ETD-7.2

AVISTA

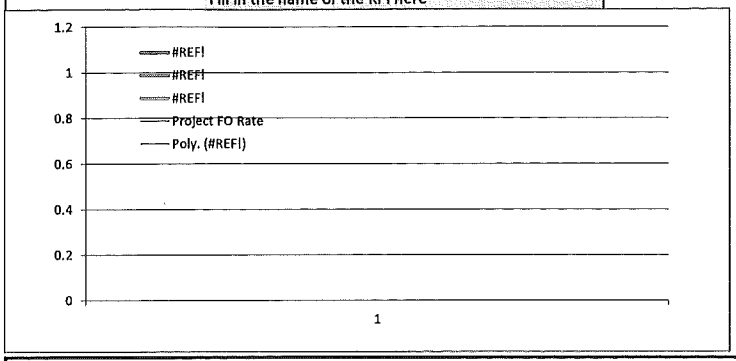
☐ YES - attach form

Capital Project Business Case

Exhibit No.__(KKS-5)
Attachment No.__ETD-7.3

AVISTA

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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Reviewed signature _____
Director/Manager

Other Party Review signature Margi Stevens
(if necessary) Director/Manager

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To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-8

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__ETD-8.1

Investment Name:	**Elec Replacement and Relocation**		
Requested Amount	**$ 2,700,000**	**Assessments:**	
Duration/Timeframe	On-Going 2012+	Financial:	Medium - >= 5% & <9% CIRR
Dept.., Area:	Gas and Electric Operations	Strategic:	Other
Owner:	Al Fisher	Operational:	Operations require execution to perform at current levels
Sponsor:	Don Kopczynski	Business Risk:	ERM Reduction >10 and <= 15
Category:	Mandatory	Program Risk:	Moderate certainty around cost, schedule and resources
Mandate/Reg. Reference:	Franchise Agreements and Permits	Assessment Score:	140

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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 WA DOT. 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.		$ 2,700,000	$ -	$ -	2

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Status Quo :	Avista would be out of compliance with established franchise agreements and/or permits if work is not completed.	n/a	$ -	$ -	$ -	16
Alternative 1:	Relocate facilities in conflict with street and highway projects where established franchise agreements and/or permits exist.	n/a	$ 2,700,000	$ -	$ -	2
Alternative 2:			$ -	$ -	$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)		describe any incremental changes in operations	$ -	$ -	$ -	0

Program Cash Flows
2012-2016

	Capital Cost	O&M Cost	Other Costs	Approved
Previous			$ -	$ -
2012	$ 2,400,000	$ -	$ -	$ 2,400,000
2013	$ 2,700,000	$ -	$ -	$ 2,200,000
2014	$ 2,300,000	$ -	$ -	$ 1,752,430
2015	$ 2,400,000	$ -	$ -	$ 2,400,000
2016	$ 2,500,000	$ -	$ -	$ 2,500,000
2017	$ 2,600,000	$ -	$ -	$ 2,600,000
2018	$ 2,700,000	$ -	$ -	$ 2,700,000
2019	$ -	$ -	$ -	$ 2,800,000
Total	$ 17,600,000	$ -	$ -	$ 19,352,430

Associated Ers (list all applicable):

Current ER				
2056				
2061				

Mandate Excerpt (if applicable):

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

Additional Justifications:

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

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☑ Medium Probability	☐ High Probablity	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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 Performance Indicator(s)
Expected Performance Improvements

KPI Measure:	N/A - Mandatory Work
	Fill in the name of the KPI here

Capital Investment Business Case

Exhibit No.__(KKS-5)
Attachment No.__ETD-8.2

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Reviewed signature
Director/Manager

WSDOT Franchise work will be incorporated into ER2056 in years 2014 - 2018

Other Party Review (if necessary) signature Margi Stevens
Director/Manager

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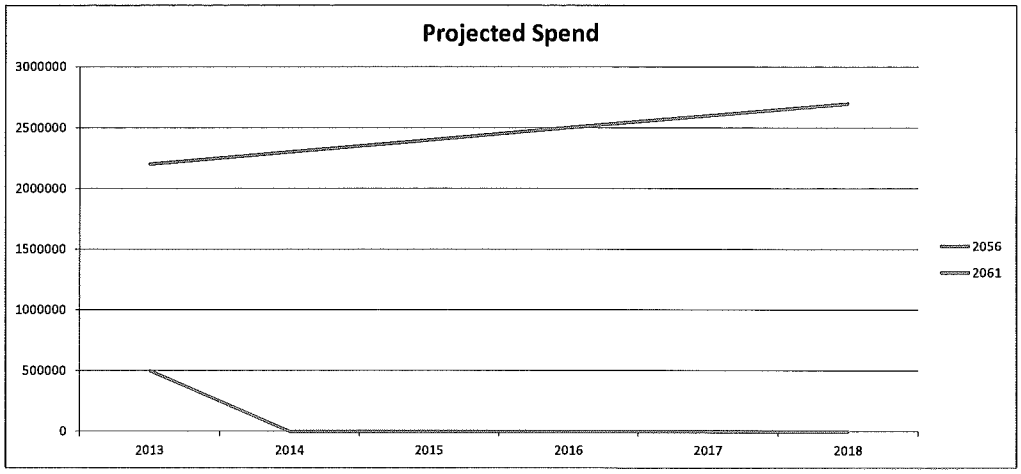


To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-9

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $ 1,151 [1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__ETD-9.1

AVISTA

Investment Name:	**Environmental Compliance**		
Requested Amount	**$250,000**	**Assessments:**	
Duration/Timeframe	30 Year Program	Financial:	High - Exceeds 12% CIRR
Dept.., Area:	Environmental	Strategic:	Other
Owner:	Darrell Soyars (Mgr.); Bruce Howard (Dir)	Operational:	Operations require execution to perform at current levels
Sponsor:	Marian Durkin	Business Risk:	ERM Reduction >10 and <= 15
Category:	Mandatory	Program Risk:	High certainty around cost, schedule and resources
Mandate/Reg. Reference:	SUP; NEPA; PCB Disposal; EPA TSCA WA	Assessment Score:	182

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Implementation of Forest Service Special Use Permits (SUP) , Waste Oil Disposal, including PCBs , and Environmental Compliance requirements related to storm water managmeent, water quality protection, property cleanup and related issues, etc.	n/a	$ 250,000	$ -	$ -	6

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Alternative 1: Funded SUP implementation	Avista is required to perform various mitigation activities associated with our right-of-ways (ROW) across National Forest lands. These activities are performed under the framework of the Special Use Permits issue by United States Forest Service (USFS) for 30 years which requires mitigation project to protect.	n/a	$ 100,000	$ -	$ -	20
Alternative 2: Unfunded SUP implementation	If mitigation projects are not performed in accordance with the permit and annual workplans, this would represent a violation of the SUP, thus placing the activities associated with our ROW at risk. Potential for USFS enforcement/penalties, as well as NERC/WECC enforcement.		$ -	$ -	from moderate to extreme	6
Alternative 1: Funded PCB Disposal	Proper disposal of Waste Oil and PCB equipment is required under Washington State and Environmental Protection Agency (EPA), Toxic Substance Control Act (TSCA) regulations.		$ 150,000	$ -	$ -	0
Alternative 2: Unfunded PCB Disposal	If the PCB disposal is not funded, we would be subject to penalties/fines for non-compliance with state/federal laws, as well as subject to proper disposal via enforcement action or to cleanup liabilities, including recovery of treble damages by agencies.		$ -	$ -	from moderate to extreme	0
Alternative 1: Funded Environmental Compliance	Funding of this program reduces rish of non-compliance and evironmental liability		$ -	$ -	$ -	15
Alternative 2: Unfunded Environmental Compliance	If unfunded, Avista would run the risk of having facilities out of compliance an/or liability from contamination. Could experience fince or penalties		$ -	$ -	from moderate to extreme	2

Program Cash Flows

5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2012	$ -	$ -	$ -	$ 350,000
2013		$ -	$ -	$ 251,000
2014	$ 250,000	$ -	$ -	$ 151,000
2015	$ 250,000	$ -	$ -	$ 500,000
2016	$ 250,000	$ -	$ -	$ 500,000
2017	$ 250,000	$ -	$ -	$ 500,000
2018	$ 250,000	$ -	$ -	$ 500,000
2019	$ -	$ -	$ -	$ 500,000
Total	$ 1,250,000	$ -	$ -	$ 1,250,000

Associated Ers (list all applicable):

Current ER	6101	6000	6002	

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)*

AVISTA

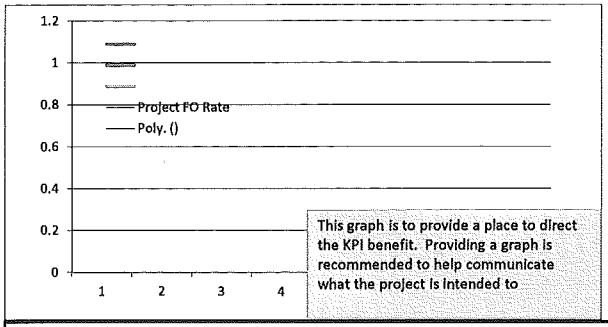
Exhibit No.__(KKS-5)
Attachment No.__ETD-9.2

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probablity	Enterprise Tech:	☐ 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).
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required	
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required	
				Fleet:	☐ YES - attach form	☑ NO or Not Required	

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__ETD-9.3

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	annual meetings with the National Forest Service (NFS)
	Environmental Protection Agency
	WDOE



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Other Party Review (if necessary) signature Margi Stevens
Director/Manager

Capital Budget Projections

		2014	2015	2016	2017	2018	
ER 6000		150,000	150,000	150,000	150,000	150,000	PCB Wast Management
ER 6101		100,000	100,000	100,000	100,000	100,000	Permit Renewal/Implementation
ER 6002		200,000	200,000	200,000	200,000	200,000	Environmental Compliance Pullman Storm Water
E14		450,000	450,000	450,000	450,000	450,000	

Engineers Opinion Cost Estimat...

Avista SR 270 Site Storm Treat...

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-10

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $ 1,750 [1]

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.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case

Exhibit No.__(KKS-5)
Attachment No.__ETD-10.1

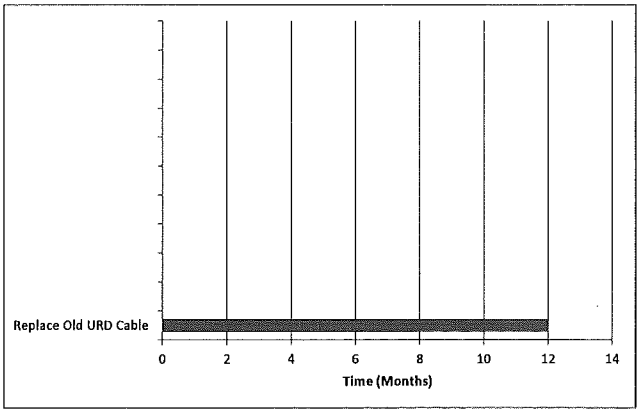
AVISTA

Investment Name:	**Primary URD Cable Replacement 2013**		
Requested Amount	**$1,800,000**	**Assessments:**	
Duration/Timeframe	2 Year Project	Financial:	MH - >= 9% & <12% CIRR
Dept., Area:	Asset Management & Process Improvement	Strategic:	Life Cycle Programs
Owner:	Kevin Christie	Operational:	Operations improved beyond current levels
Sponsor:	Jason Thackson	Business Risk:	ERM Reduction >5 and <= 10
Category:	Project	Project/Program Risk:	High certainty around cost, schedule and resources
Mandate/Reg. Reference:	n/a	Assessment Score:	110

Recommend Project Description:	Performance	Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Complete the replacement of the un-jacketed first generation of Primary URD cable	Customer IRR = 10% and avoids an average of 600 outages per year	$ 1,800,000	$ -	$ -	4

Alternatives:		Performance	Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Status Quo:	Number of Primary URD Cable faults would increase and the cost to repair the cable would also increase. Without this work and the past 4 years of work, the increased O&M costs would sum up to $8.8 million over the next 5 years.	Increase number of Outage towards 700	$ -	$ -	$ 1,300,000	10
Alternative 1: Primary URD Cable Replacement	Complete the replacement of the un-jacketed first generation of Primary URD cable	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	December-12	Plant In Service	mm/dd/yy	open
March-12	Project Plan	December-12	Project Complete	mm/dd/yy	open
June-12	Project Design	mm/dd/yy	open	mm/dd/yy	open
March-12	Major Procurement	mm/dd/yy	open		
September-12	Construction Start	mm/dd/yy	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 applicable):								
	Current ER	2054						

Mandate Excerpt (if applicable):

Additional Justifications:

AVISTA

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probablity	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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 commitment).

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure: Primary URD Cable Events
Avoided Outage Benefits

KPI Description	Projected URD Cable - Primary OMT Events	Actual URD Cable - Primary OMT Events
2009	143	136
2010	119	93
2011	94	
2012	70	
2013	45	
2014	45	
2015	45	

the KPI benefit. Providing a graph is recommended to help communicate what the project is intended to

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Director/Manager

Other Party Review signature Margi Stevens
(if necessary) Director/Manager

Metric Description	Projected Avoided Costs due URD Cable - Pri Caused Outages	Actual Avoided Costs due to URD Cable - Pri Outages
2009	$1,038,613	$1,056,113
2010	$1,228,275	$1,295,225
2011	$1,368,561	
2012	$1,516,159	
2013	$1,744,539	
2014	$1,898,311	
2015	$1,997,052	

urts, or other data that may be useful in evaulating the project

The 10% customer IRR comes from the 2010 5 Year Plan and Budget Summary document
The ERM values come from the value of avoided outages associate with the early vintage of cable

The average URD-Primary OMT outage affects an average of 33 customers for 3.5 hours
Customer-Hours for base case = 700 * 33 * 3.5 = 80,850
Customer-Hours for base case = 50 * 33 * 3.5 = 5,775

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-11

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__ETD-11.1

AVISTA

Investment Name:	Tx - Recon and Rebids	**Assessments:**					
Requested Amount	$20,000,000	Financial:	10.00%				
Duration/Timeframe	50 Year Program	Strategic:	Life-cycle asset management				
Dept.., Area:	T&D - TLD Engineering	Business Risk:	Business Risk Reduction >5 and <= 10				
Owner:	Heather Rostentrater	Program Risk:	High certainty around cost, schedule and resources				
Sponsor:	Don Kopczynski						
Category:	Program						
Mandate/Reg. Reference:	n/a	Assessment Score:	#NAME?	Annual Cost Summary - Increase/(Decrease)			
Recommend Program Description:			**Performance**	**Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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.			Improved performance (reduced losses), upgraded facilities, greater clearance, new life cycle, and greater load capabilities.	$ 20,000,000	$ -	$ -	1

Alternatives:		**Performance**	**Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	Transmission lines that would be rebuilt and/or reconductored under this program have 1) high loss conductor, or 2) deteriorated wood structures, or 3) corroded or deteriorated materials, or 4) insufficient clearance, or 5) inadequate capacity.	Med-High probability of a line overload, line failure, or injury/fine within the next 1-10 yrs.	$ -	$ -	$ -	8
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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2014	$ 11,446,742	$ -	$ -	$ 6,760,000
2015	$ 23,412,946	$ -	$ -	$ 17,912,946
2016	$ 26,536,134	$ -	$ -	$ 20,036,134
2017	$ 28,102,393	$ -	$ -	$ 20,852,393
2018	$ 26,000,000	$ -	$ -	$ 21,000,000
2019	$ 12,000,000	$ -	$ -	$ 12,000,000
Total	$ 127,498,215	$ -	$ -	$ 98,561,473

Associated Ers (list all applicable):			
2310	2549	2550	2557
2423	2457	2556	2564
2574	25xa	2576	2582
2577	2575		

ER	2014	2015	2016	2017	2018	Total
2310	$ -	$ 25,000	$ 1,000,000	$ -	$ -	$ 1,025,000
2549	$ -	$ -	$ -	$ -	$ -	$ -
2550	$ 3,700,000	$ 3,500,000	$ -	$ -	$ -	$ 7,200,000
2557	$ -	$ 25,000	$ 900,000	$ -	$ -	$ 925,000
2423	$ 2,500,000	$ 2,500,000	$ 2,500,000	$ 2,500,000	$ 2,500,000	$ 12,500,000
2457	$ 2,500,000	$ 3,600,000	$ 3,500,000	$ -	$ -	$ 9,600,000
2556	$ 25,000	$ -	$ 4,500,000	$ 5,750,000	$ 2,500,000	$ 12,775,000
2564	$ 2,346,742	$ 3,947,144	$ 4,050,558	$ -	$ -	$ 10,344,444
2574	$ 350,000	$ -	$ -	$ -	$ -	$ 350,000
25xa	$ -	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 2,000,000	$ 8,000,000
2576	$ -	$ -	$ -	$ 25,000	$ 2,000,000	$ 2,025,000
2582	$ -	$ -	$ 25,000	$ 2,000,000	$ -	$ 2,025,000
2577	$ 25,000	$ 7,815,802	$ 8,060,576	$ 8,302,393	$ -	$ 24,203,771
2575	$ -	$ -	$ -	$ 25,000	$ 2,000,000	$ 2,025,000
25xb	$ -	$ -	$ -	$ 7,500,000	$ 7,500,000	$ 15,000,000
25xc	$ -	$ -	$ -	$ -	$ 7,500,000	$ 7,500,000
Total	$ 11,446,742	$ 23,412,946	$ 26,536,134	$ 28,102,393	$ 26,000,000	$ 115,498,215

Mandate Excerpt (if applicable):
Provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:
Obligation to serve: Specific transmission lines require rebuild or reconductor for increased capacity due to load growth. Risk Management: Specific transmission lines require rebuild to reduce potential public injury risks. Addition of dollars for ER25xa in response to latest interpretation of FAC-11 (Standard for Reliability Coordinator) intended to remove copper wire bottlenecks while increasing System Operations response flexibility.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☑ Medium Probability	☐ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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 Performance Indicator(s)
Expected Performance Improvements

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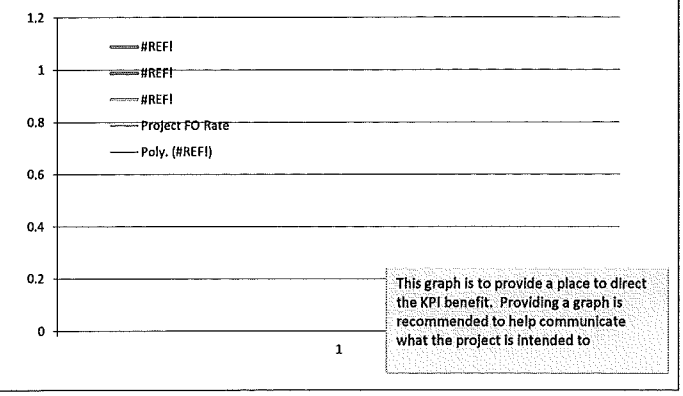
Capital Program Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__ETD-11.2

KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here



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Director/Manager

Other Party Review signature Margie Stevens
(if necessary) 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	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-12

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

Functional Group: Electric Transmission / Distribution

Business Case Name: Segment Reconductor and FDR Tie Program

ER No:	**ER Name:**
2514	Distribution - Spokane North & West
2515	Distribution - CdA East & North
2516	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.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

AVISTA

Investment Name:	Segment Reconductor and FDR Tie Pgm				
Requested Amount	4,000,000 (variable, see below)	Assessments:			
Duration/Timeframe	On-going Year Program	Financial:	MH - >= 9% & <12% CIRR		
Dept.., Area:	Engineering	Strategic:	Reliability & Capacity		
Owner:	Rosentrater/James (updated July 16, 2014)	Operational:	Operations require execution to perform at current levels		
Sponsor:	Don Kopczynski	Business Risk:	ERM Reduction >5 and <= 10		
Category:	Program	Program Risk:	Moderate certainty around cost, schedule and resources		
Mandate/Reg. Reference:	n/a	Assessment Score:	84		

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	ERM Risk Score
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.	Investments necessary to maintain current operations and to extend the life of current assets.	$ 3,100,000			4

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Unfunded Program:	Unfunding segment reconductor and FDR tie program will result in thermally overloaded conductor segments and significantly compromise the electric distribution system. Loss of load service capacity would result.	n/a	$ -	$ -	$ -	25
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	$ -	$ -	$ -	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

Program Cash Flows
5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
2012	$ 4,605,000		$ -	$ 3,605,000
2013	$ 4,300,000		$ -	$ 2,860,229
2014	$ 3,900,000		$ -	$ 3,179,993
2015	$ 3,735,000		$ -	$ 3,735,000
2016	$ 4,310,000		$ -	$ 3,810,000
2017	$ 4,175,000	$ -	$ -	$ 4,175,000
2018	$ 3,650,000	$ -	$ -	$ 3,650,000
2019	$ 3,550,000	$ -	$ -	$ 3,550,000
Total	$ 32,225,000	$ -	$ -	$ 28,565,222

Associated Ers (list all applicable):

Current ER	2514	2515	2516	
	Spokane & West	CDA & East	South Region	

Mandate Excerpt (if applicable):

Additional Justifications:
This program is a foundational element of our overall effort to maintain the electric delivery system. While many of the assett management programs such as WPM, PCB transformers, Worst Feeders, URD Cable replacement, are targeted efforts to maintain or improve reliability, this program specifically identifies thermal, voltage, and FDR tie issues amongst 345 individual electric circuits. This program represents the collective effort of distribution planners and area engineers to manage our ability to serve customer load reliably, efficiently, and securely.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☐ YES	☑ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ YES - attach form	☑ NO or Not Required

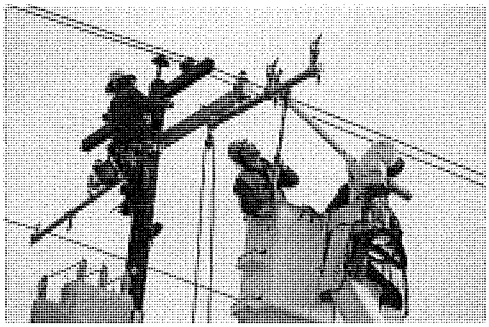
Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm committment).

AVISTA

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Dx System Capacity Increase
	Dx System 500A Plan Compliance



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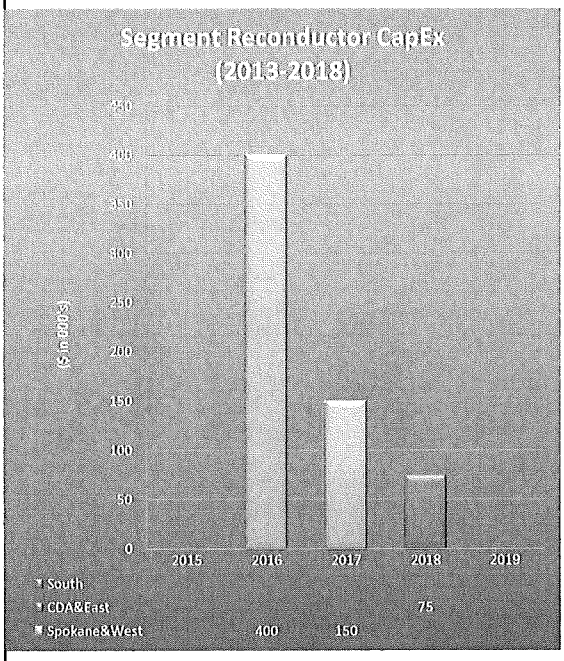
Director/Manager

Other Party Review (if necessary) signature Margie Stevens
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 mi GIF 34F1 - CHW 12F3 FDR Tie CLV 34F1- Kelly Hill Rbld 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 mi 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 Rox7S1 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 1/0 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 Imprave 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 reploce midline 249R SIP 12F3 to BKR (Central Premix) LIB 12F1 - EFM 12F2 Rocky Hill Tie BKR 12F3 Recond 2/0 ACSR 1 mi CLV Area Switched Banks CHW 12F3- ARD 12F2 FDR Tie (5 mi UG) LF34F1- Midline CLV 34F1 Midline OSB 521 - Recond/Viper for Coeur Mine OLD - Dx Tie Recand DAL 131 Recond 1.5 mi DAL 131 - Recond 1.4 mi DAL 131 - Recon 0.8 mi (lakeshare) 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 - Recand 1.5 mi PIN 441 - Reconductor FDR Tie SAG 741 - Recond Lignite 9200 ft SPT 4S21 - River Xing & Reloc at Sundowner OLD 721 - creote UG loop for Ind Pk RAT 233 - Recond Hwy 41 to 2/0 ACSR PVW 243 - Cap Bank Riverbend Comm PF 213 - Recand McGuire Road BLU 321 - Rbld & UG neor Tony's Rest CDA 125- Recond #6 Crapo Dalton & 17th CDA 124-Recond NIC Loop HOL 1206 - Recond 3700' SLW 1358 Extend ORO 12B1 TEN 1253 - 1 mi recond & regs CFD 1210 - Recond #6 CU PAL 312 - Add Phase MOS 515 tie 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 Steom plant - cable & conduit CFD 1211- Regs at 1.5 miles GRV 1273- Regs at Orogrande and E City SWT 2403 - Cop bank ot 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 tie to LOL 1266 ORO 1281-midline KOO 1299-midline JPE 1287-midline KAM-KOO tieline LEO 611-U/B with M115-N Lew Recand SPU Bishop Blvd URD Inc Cap.

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-13

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $ 6,438[1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__ETD-13.1

AVISTA

Investment Name:	**Spokane Elec. Network**		
Requested Amount	**$2,300,000 annually**	**Assessments:**	
Duration/Timeframe	n/a Year Program	Financial:	MH - >= 9% & <12% CIRR
Dept.., Area:	Engineering	Strategic:	Life Cycle Programs
Owner:	Rosentrater/James (updated July 16, 2014)	Operational:	Operations require execution to perform at current levels
Sponsor:	Don Kopczynski	Business Risk:	ERM Reduction >5 and <= 10
Category:	Program	Program Risk:	High certainty around cost, schedule and resources
Mandate/Reg. Reference:	n/a	Assessment Score:	97

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Avista owns and maintains an underground electric network that serves the core business district of downtown Spokane. Topology in the Network is unique to Avista 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: 7500 feet of secondary cable, 7500 feet of primary cable, 10 refurbished manholes & vaults, 10 tranformer replacements, and 20 street light replacements. Electric revenues associated with the Spokane Network are approximately $15-20M.	Investments necessary to maintain current operations and to extend the life of current assets.	$ 2,300,000	$ 348,251	$ 215,000	6

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Unfunding Network operations assumes zero PM activities and an eventual loss system functionality.	n/a	$ -	$ -	$ -	25
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	$ -	$ -	$ -	6
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

Program Cash Flows

5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
2012	$ 2,150,000	$ 315,000	$ 215,000	$ 2,150,000
2013	$ 2,300,000	$ 315,000	$ 215,000	$ 2,350,007
2014	$ 2,300,000	$ 348,250	$ 215,000	$ 1,838,000
2015	$ 2,300,000	$ 348,250	$ 215,000	$ 2,300,000
2016	$ 2,300,000	$ 348,250	$ 215,000	$ 2,300,000
2017	$ 2,300,000	$ 348,250	$ 215,000	$ 2,300,000
2018	$ 2,300,000	$ 348,250	$ 215,000	$ 2,300,000
2019	$ 2,300,000	$ 348,250	$ 215,000	$ 2,300,000
Total	$ 18,250,000	$ 2,719,500	$ 1,720,000	$ 17,838,007
	CapX Specific	O&M	O&B	

Associated Ers (list all applicable):

Current ER		2058	2237	2251
		CapX Repl.	Metro PILC	Post St PILC

Mandate Excerpt (If applicable):

Various WUTC tariff schedules are associated with customer classifications in downtown Spokane. NESC/WAC govern public and worker safety.

Additional Justifications:

Service to the core business district in Spokane is afforded a much higher level of service reliability than other urban or rural areas. This reflects the importance of continuous service to hospitals, law enforcement, city government, banking, legal, commerce, and retail sectors of the local economy.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☐ YES	☑ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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).

Exhibit No.__(KKS-5)
Attachment No.__ETD-13.2

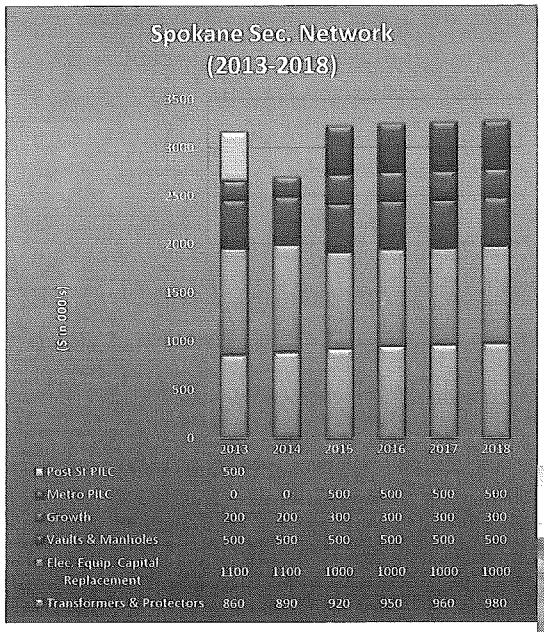
AVISTA

Key Performance Indicator(s)
Expected Performance Improvements
KPI Measure: Plan to Actual

Prepared signature

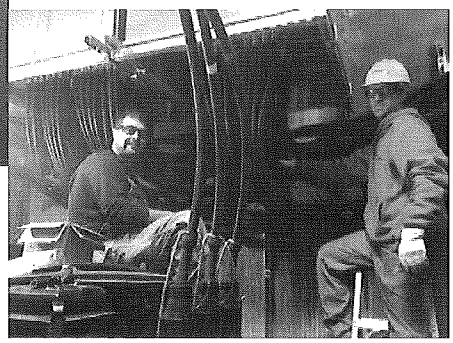
Reviewed signature
Director/Manager

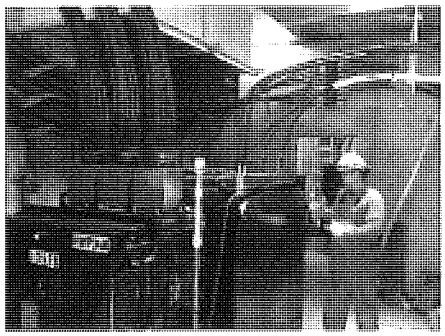
Other Party Review (if necessary) signature Margie Stevens
Director/Manager



2014 Work Plan (actuals)

NETWORK	Sec. Cable	Prim. Cable	Xmfr	Vault/MH	St. Lt	Lost Time	Vehicle	Injury
Jan	0	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





To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-14

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

Functional Group: Electric Transmission / Distribution

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

ER No:	**ER Name:**
2051	Electric Transmission Plant-Storm
2059	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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Investment Name:	**Storms**		
Requested Amount	**$ 3,000,000**	**Assessments:**	
Duration/Timeframe	On-going Year Program	Financial:	7.00%
Dept., Area:	Operations	Strategic:	Reliability & capacity
Owner:	Bryan Cox	Business Risk:	Business Risk Reduction >15
Sponsor:	Don Kopczynski	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Program		
Mandate/Reg. Reference:	n/a	Assessment Score:	102

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease)** Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program will replace crossarms, poles and structures as required due to storms, fires on distribution and transmission lines.	describe any incremental changes that this Program would benefit present operations	$ 3,000,000	$ -	$ -	4

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease)** Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	If we do not replace our failed infastructure due to storms and fire, Avista will risk having an unreliable system, increased O&M costs to repair, and decreased customer satisfaction.	n/a	$ -	$ -	$ -	25
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	$ -	$ -	$ -	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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2014	$ 3,300,000	$ -	$ -	$ 9,860,000
2015	$ 3,000,000	$ -	$ -	$ 3,000,000
2016	$ 3,090,000	$ -	$ -	$ 2,790,000
2017	$ 3,182,700	$ -	$ -	$ 2,882,700
2018	$ 3,278,181	$ -	$ -	$ 2,978,181
2019	$ 3,376,526	$ -	$ -	$ 3,076,526
2020+	$ -	$ -	$ -	$ -
Total	$ 19,227,407	$ -	$ -	$ 24,587,407

Associated ERs (list all applicable):			
2051			
2059			

ER	2015	2016	2017	2018	2019	Total
2051	$ 1,100,000	$ 1,100,000	$ 1,100,000	$ 1,100,000	$ 1,100,000	$ 5,500,000
2059	$ 1,900,000	$ 1,990,000	$ 2,082,700	$ 2,178,181	$ 2,276,526	$ 10,427,407
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 3,000,000	$ 3,090,000	$ 3,182,700	$ 3,278,181	$ 3,376,526	$ 15,927,407

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.

Resources Requirements: *(request forms and approvals attached)*

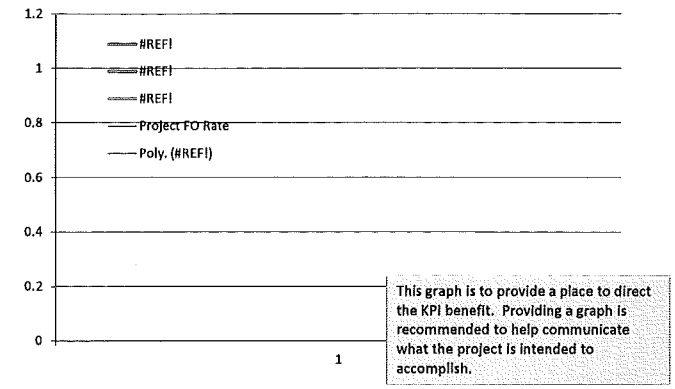
Internal Labor Availability:	☐ Low Probability	☑ Medium Probability	☐ High Probablity	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ YES - 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 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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Reviewed signature
Director/Manager

Other Party Review signature Margie Stevens
(if necessary) 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	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-15

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $ 1,075[1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__ETD-15.1

Investment Name:	**Substation - 115 kV Line Relay Upgrades**
Requested Amount	**$7,274,676**
Duration/Timeframe	7 Year Project
Dept., Area:	T&D - Substation Engineering
Owner:	Heather Rosentrater
Sponsor:	Don Kopczynski
Category:	Project
Mandate/Reg. Reference:	n/a

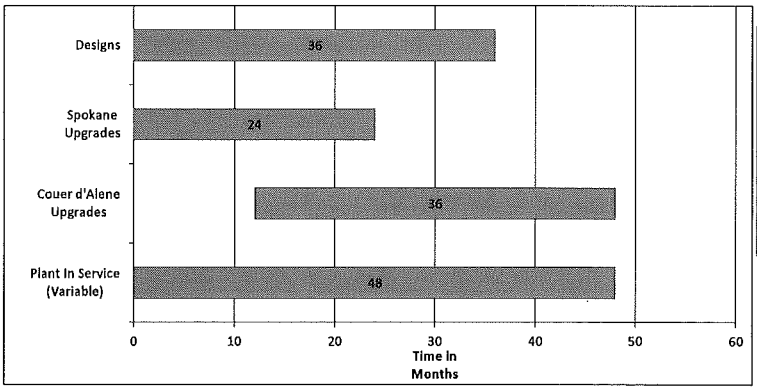
Assessments:

Financial:	Medium - >= 5% & <9% CIRR
Strategic:	Reliability & Capacity
Operational:	Operations require execution to perform at current levels
Business Risk:	ERM Reduction >0 and <= 5
Project/Program Risk:	High certainty around cost, schedule and resources
Assessment Score:	79

Recommend Project Description:	**Performance**	**Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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 fiberoptic 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.	Improved comm., relay operation, & avoidance of potential large system outage problems.	$ 7,274,676	$ -	$ -	1

Alternatives:		**Performance**	**Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Status Quo :	Under certain operating conditions and fault scenarios, our 115 kV system in the greater Spokane-Couer d'Alene area is susceptible to potentially large transmission outages. Existing protection schemes and equipment cannot operate quickly enough to prevent these scenarios from occurring.	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)

	Capital Cost	O&M Cost	Other 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	$ -	$ -	$ -	$ -
2017	$ -	$ -	$ -	$ -
2018	$ -	$ -	$ -	$ -
Future	$ -	$ -	$ -	$ -
Total	$ 7,124,675	$ -	$ -	$ 4,904,676

Milestones (high level targets)

January-09	Start Communications Infrastructure - Spokane
January-10	Start Communications Infrastructure - Couer d'Alene
January-10	Start Relay Upgrades - Spokane
December-10	Complete Communications Infrastructure
January-11	Continue Spokane Area Relay Upgrades
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
Mandate Excerpt (if applicable):	Obligation to serve: Maintain a reliable system that meets customer demand and reliablity 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)*

Exhibit No.__(KKS-5)
Attachment No.__ETD-15.2

AVISTA

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probablity	Enterprise Tech:	☐ 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).
Contract Labor:	☐ YES	☑ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required	
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required	
				Fleet:	☐ YES - attach form	☑ NO or Not Required	

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Complete 3 Line Relay Upgrades per year.

Prepared Mike Magruder, Manager - Substation Engineering

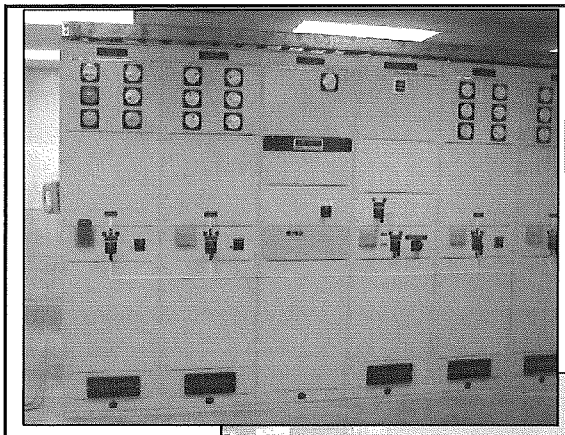
Reviewed Heather Rosentrater, Director - ENSO

Reviewed Andy Vickers, Director - GPSS

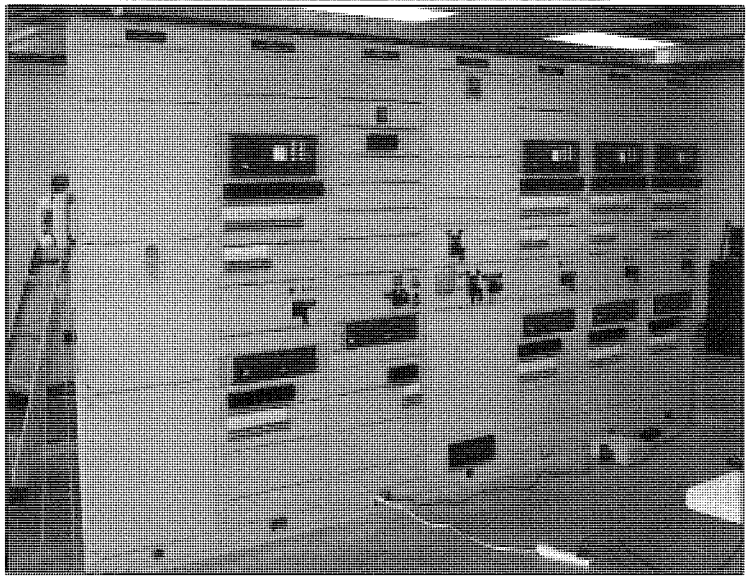
Margi Stevens

Otis Orchards 115 kV Switching Station

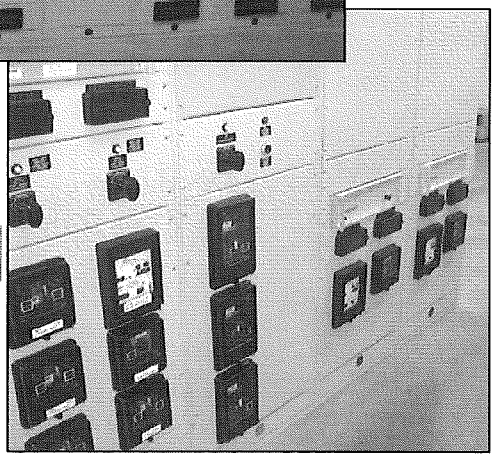
Old Control & Meter Panels



New Line Relay Panels (below) recently completed. New relays are microprocessor-based SEL relays using high-speed communications via the fiberoptic network previously installed.



Old Electromechanical Relays



To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-16

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

Functional Group: Electric Transmission / Distribution

Business Case Name: Substation - Asset Mgmt. Capital Maintenance

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.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Investment Name:	**Substation - Asset Mgmt. Capital Maintenance**		
Requested Amount	**$4,100,000**	**Assessments:**	
Duration/Timeframe	40 Year Program	Financial:	Medium - >= 5% & <9% CIRR
Dept.., Area:	T&D - Substation Engineering	Strategic:	Life Cycle Programs
Owner:	Heather Rosentrater	Operational:	Operations require execution to perform at current levels
Sponsor:	Don Kopczynski	Business Risk:	ERM Reduction >5 and <= 10
Category:	Program	Program Risk:	High certainty around cost, schedule and resources
Mandate/Reg. Reference:	n/a	Assessment Score:	89

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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 panelhouses and associated equipment, HV breakers, relays, metering, surge arresters, rock and fence, LV breakers/reclosers, circuit switchers, SCADA systems, batteries and chargers, power transformers, HV fuses, air switches, capacitor banks, autotransformer diagnostic equipment, step voltage regulators, and instrument transformers.	Renew asset life cycle; remove obsolete, end of life apparatus; upgrade; install new apparatus	$ 4,100,000	$ -	$ -	2

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	Maintain (to the best of our ability) all obsolete or end-of-life apparatus. Repair or replace equipment on emergency basis only. Some repairs would not be possible due to obsolescence. Considerably more, and longer, customer outages would result.	n/a	$ 500,000	$ 1,000,000	$ 500,000	12
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

Program Cash Flows

5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
2012	$ 4,100,000	$ -	$ -	$ 4,100,000
2013	$ 4,100,000	$ -	$ -	$ 4,582,020
2014	$ 4,100,000	$ -	$ -	$ 4,100,000
2015	$ 4,100,000	$ -	$ -	$ 4,100,000
2016	$ 4,100,000	$ -	$ -	$ 4,100,000
2017	$ 4,100,000	$ -	$ -	$ 4,100,000
2018	$ 4,100,000	$ -	$ -	$ 4,100,000
2019	$ -	$ -	$ -	$ 4,100,000
Total	$ 28,700,000	$ -	$ -	$ 33,282,020

Associated Ers (list all applicable):

2210	2215	2252	2253	2260
2275	2278	2280	2293	2294
2326	2336	2343	2397	2425
2449	2481	2492	2493	2505

Mandate Excerpt (if applicable):

Additional Justifications:

In general, this program is required for operations to perform at current levels as assessed above. However, it could easily be argued that the end results of Capital Maintenance actually **improve operations beyond current levels** as obsolete equipment is often replaced with apparatus of higher capacity and/or newer technology. If prudent, and if time, resources, and funding allow, we will take every opportunity to make improvements to substation operations when we perform Capital Maintenance.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probablity	Enterprise Tech:	☐ 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).
Contract Labor:	☐ YES	☑ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required	
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required	
				Fleet:	☐ YES - attach form	☑ NO or Not Required	

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__ETD-16.2

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Meet AM Plan Requirements for all Apparatus
	Maintain or increase annual program spend to meet demand

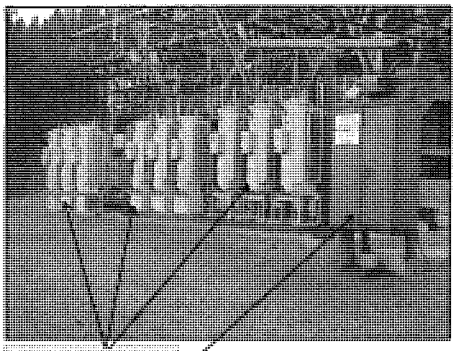
Prepared _____
Mike Magruder, Manager - Substation Engineering

Reviewed _____
Heather Rosentrater, Director - ENSO

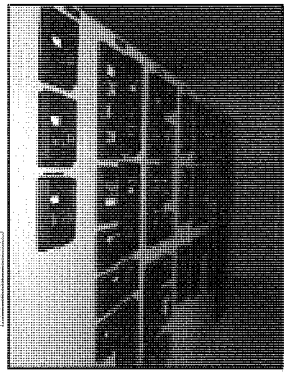
Reviewed _____
Andy Vickers, Director - GPSS

Maggie Stevens

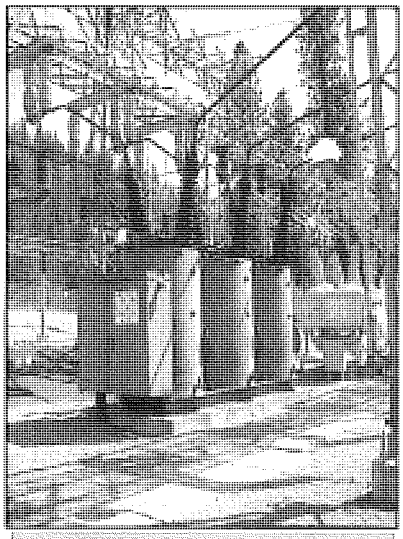
Capital Maintenance - Apparatus



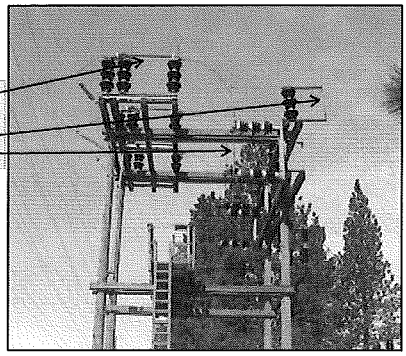
Step Voltage Regulators
LV (13 kv) Breaker
Sunset Substation



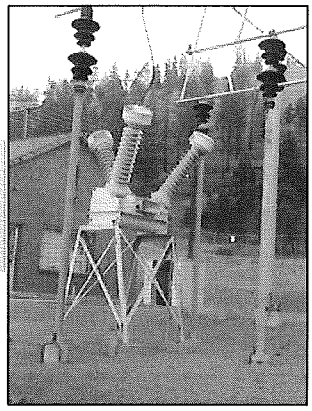
Electromechanical Relays
Westside Substation



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



Hern Substation
115 kV Air Switch
115 kV Spill Gaps (to be replaced with Surge Arresters)
HV Fuses



Instrument Transformer
Old 3-phase bus PT
Sunset Substation

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-17

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

Functional Group: Electric Transmission / Distribution

Business Case Name: Substation - Capital Spares

ER No:	**ER Name:**
1006	Power Xfmr-Distribution
2000	Power Xfmr-Transmission
2001	Power Circuit Breaker

Approved Business Case Spend Amount 2014-2016 ($000s - System): $12,515[1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__ETD-17.1

AVISTA

Investment Name:	**Substation - Capital Spares**		
Requested Amount	**$4,720,000**	**Assessments:**	
Duration/Timeframe	50 Year Program	Financial:	Medium - >= 5% & <9% CIRR
Dept., Area:	T&D - Substation Engineering	Strategic:	Life Cycle Programs
Owner:	Heather Rosentrater	Operational:	Operations require execution to perform at current levels
Sponsor:	Don Kopczynski	Business Risk:	ERM Reduction >5 and <= 10
Category:	Program	Program Risk:	High certainty around cost, schedule and resources
Mandate/Reg. Reference:	n/a	Assessment Score:	89

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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.	Renew asset life cycle; meet capacity requirements; adequate spare inventory	$ 4,720,000	$ -	$ -	1

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	We will not have vital system capital spares required to maintain our electric system in the event of failures (emergency), planned system improvements (reliability), or obligation to serve (growth). In addition, some of this apparatus may be required for compliance upgrades in reliability and capacity.	n/a	$ -	$ 500,000	$ 250,000	8
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

Program Cash Flows

5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
2012	$ 3,835,000	$ -	$ -	$ 2,535,000
2013	$ 4,865,000	$ -	$ -	$ 5,225,100
2014	$ 5,115,000	$ -	$ -	$ 1,950,000
2015	$ 9,045,000	$ -	$ -	$ 6,000,000
2016	$ 4,265,000	$ -	$ -	$ 4,565,000
2017	$ 5,800,000	$ -	$ -	$ 4,200,000
2018	$ 3,865,000	$ -	$ -	$ 5,065,000
2019	$ -	$ -	$ -	$ 4,025,000
Total	$ 36,790,000	$ -	$ -	$ 33,565,100
	7-year average annual projected spend:			$ 4,220,014

Associated Ers (list all applicable):

1006	2000	2001		

Mandate Excerpt (If applicable):

Obligation to serve: Long lead time capital spares are required to meet system needs and service expectations.

Additional Justifications:

Transformers and High Voltage Circuit Breakers (capital spares) are placed in service based on requirements and need. Replacement transformers and breakers are purchased to maintain required capital spares count. This is managed closely by Substation Engineering with annual reviews of capital spares and planned needs.
In general, this is a Life Cycle Program for these assets. This Program also includes a Reliability and Capacity (improved reliability and growth) component as well as a Mandatory (Compliance) component. Commodity pricing and manufacturer lead times can be variable which can lead to increased costs and/or delayed receipt.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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).

AVISTA

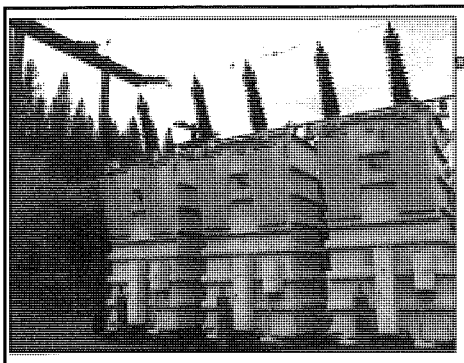
Exhibit No.__(KKS-5)
Attachment No.__ETD-17.2

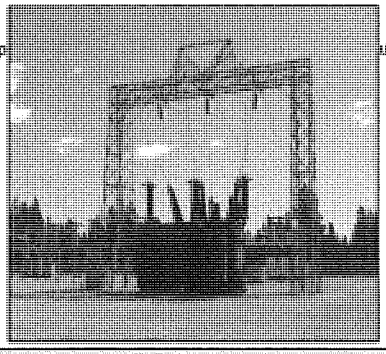
Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Annual capital spares review and summary report.
	Every capital spare will be justified.

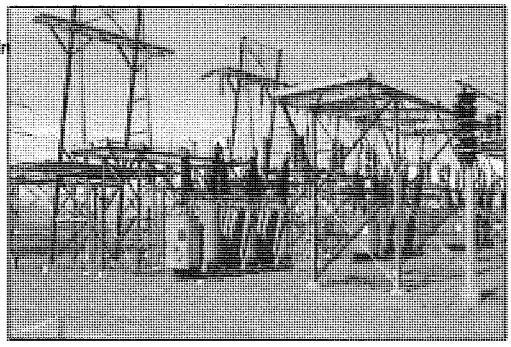
Prepared _____
Mike Magruder, Manager - Substation Engineering

Reviewed _____
Heather Rosentrater, Director - ENSO

Other Party Review signature _____
(if necessary) Director/Manager



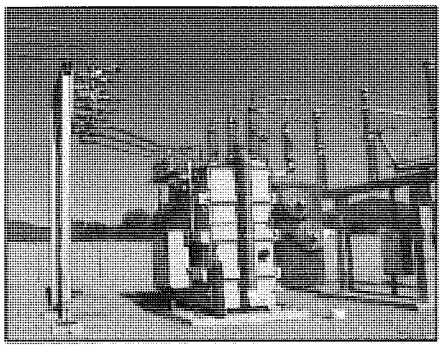


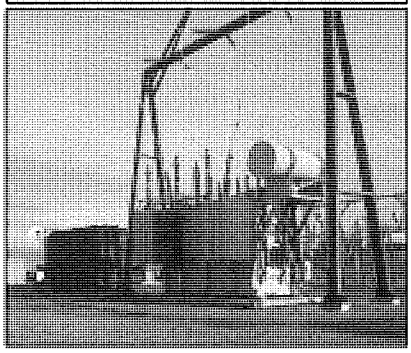


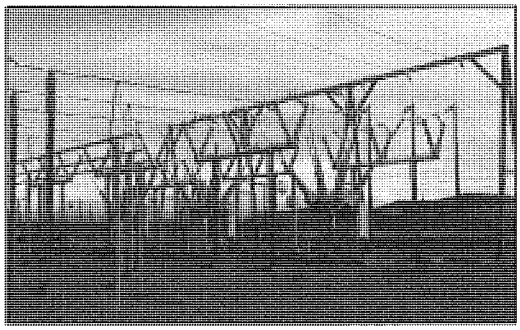
ER 1006: Distribution Power Transformers
Older single phase units shown above from Kooskia 115 kV Sub.
New 3-phase unit shown below from Idaho Road 115 kV Sub.

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.







To be completed by Capital Planning Group

Rationale for decision	**Review Cycles** 2012-2016	
	Date	**Template**

Exhibit No.__(KKS-5)
Attachment No.__ETD-18

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__ETD-18.1

AVISTA

Investment Name:	**Substation - Distribution Station Rebuilds**
Requested Amount	**$8,168,573**
Duration/Timeframe	50 Year Program
Dept.., Area:	T&D - Substation Engineering
Owner:	Heather Rosentrater
Sponsor:	Don Kopczynski
Category:	Program
Mandate/Reg. Reference:	n/a

Assessments:

Financial:	MH - >= 9% & <12% CIRR
Strategic:	Life Cycle Programs
Operational:	Operations improved beyond current levels
Business Risk:	ERM Reduction >5 and <= 10
Program Risk:	High certainty around cost, schedule and resources
Assessment Score:	105

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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 Sub 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 (e.g. Smart Grid). Examples of substation rebuilds to be completed under this program in the next 5 years are Big Creek & Kamiah (Wood Subs), Millwood (Life Cycle), Turner (SGIG), Blue Creek (Productivity), Lucky Friday (Growth), and Pine Creek Distribution (Life	Improved performance, upgraded equipment, better status & control, new life cycle.	$ 8,168,573	$ -	$ -	1

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	Obsolete and/or high loss equipment, deteriorated wood structures, and non-standard construction or equipment would remain in service until failure. Some stations may need additional capacity for growth or may not be suitable for required expansions to meet other (e.g. Regulatory, SGIG) needs.	Relatively high probability of a station failure within 10 yrs.	$ 1,000,000	$ 500,000	$ 250,000	8
Alternative 1: Planned Equipment Replacements.	Continuation of non-standard construction practices and configurations leading to considerably slower and more dangerous working conditions for field crews. This would only allow for minimal improvements to the subs while requiring more O&M to maintain aging infrastructure and equipment.	Performance remains at current levels; min. improve	$ 1,500,000	$ 500,000	$ -	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

Program Cash Flows

5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
2012	$ 7,750,000	$ -	$ -	$ 7,750,000
2013	$ 8,350,000	$ -	$ -	$ 4,798,013
2014	$ 7,680,000	$ -	$ -	$ 5,866,082
2015	$ 7,635,000	$ -	$ -	$ 6,000,000
2016	$ 7,585,000	$ -	$ -	$ 5,500,000
2017	$ -	$ -	$ -	$ 5,500,000
2018	$ -	$ -	$ -	$ 8,770,000
2019	$ -	$ -	$ -	$ 10,170,000
Total	$ 39,000,000	$ -	$ -	$ 54,354,095
			7-year average projected spend:	$ 6,312,014

Associated Ers (list all applicable):

2204	2283	2285	2341	2465
2502	2521	2522	2546	2562
2563	2565	2566	2567	2568
2569	2572	2573		

Mandate Excerpt (if applicable):

Obligation to serve: Specific substations may require rebuild for increased capacity due to load growth.

Additional Justifications:

This program replaces substations that are at the end of their life cycle or require rebuild for other reasons including capacity, reliability, growth, and contractual or regulatory obligations. Some substations, like Lucky Friday, could be standalone projects under the Mandatory category since we have to meet customer load growth. Therefore, cuts to this program need to be closely evaluated.
Program Link: Substation transmission integration budget dollars ($415k - $435k) are included in this program.
Program Link: Substation distribution integration budget dollars ($300k - $1.15M) are included in this program.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☐ YES	☑ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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).

Capital Program Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__ETD-18.2

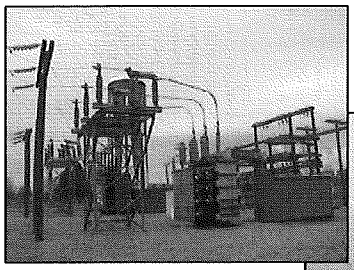
Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Complete 3 rebuilds per year.
	Complete Metro Sub EPC Rebuild by 2018.

Prepared _____
Mike Magruder, Manager - Substation Engineering

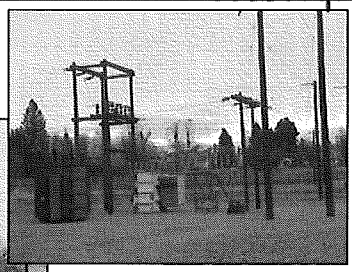
Reviewed _____
Heather Rosentrater, Director - ENSO

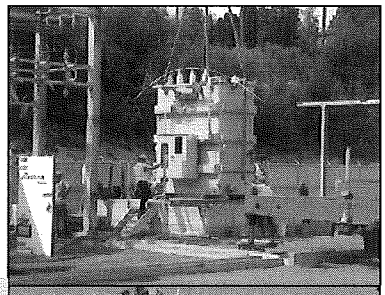
Reviewed _____
Andy Vickers, Director - GPSS

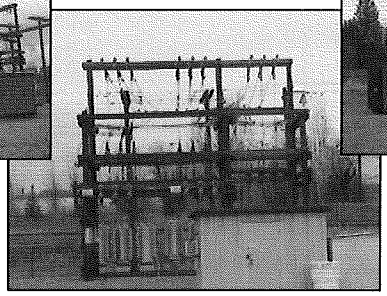
Margie Stevens



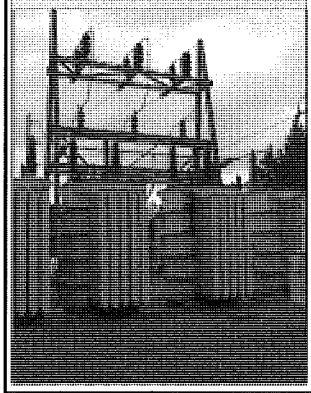
Millwood Sub - 1950's vintage substation. Switchgear and partial wood sub. Also serves IEP.



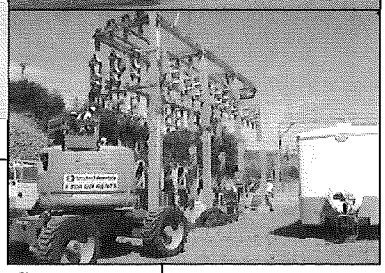


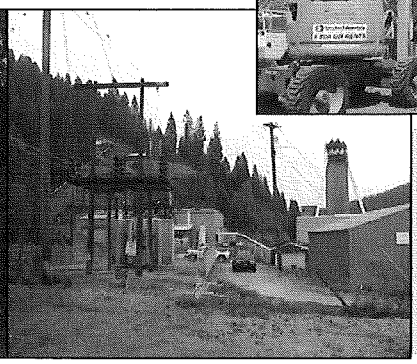


Moss Creek Sub (Below) - Productivity is driving the replacement of the "loop" transformers, which is driving the rebuild of the station to add oil containment, SCADA, better protection, a penthouse, and a new feeder addition. Plus more...



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 is requiring a rebuild for the required protection, SCADA, oil containment, and a second feeder. Included will be a space for a Mobile Sub installation.

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-19

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

Functional Group: Electric Transmission / Distribution

Business Case Name: Substation - New Distribution Substations

ER No:	ER Name:
2274	Tamarack 115Kv Sub-Construction
2322	Downtown West Sub - Property
2443	Greenacres 115-13kV Sub - New Construct
2583	Lewiston Mill Road- Dx Line Integration
2587	Irvin 115-13 kV Sub - Add Distribution Station

Approved Business Case Spend Amount 2014-2016 ($000s - System): $ 5,637[1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__ETD-19.1

Investment Name:	**Substation - New Distribution Stations**
Requested Amount	**$1,430,714**
Duration/Timeframe	50 Year Program
Dept., Area:	T&D - Substation Engineering
Owner:	Heather Rosentrater
Sponsor:	Don Kopczynski
Category:	Program
Mandate/Reg. Reference:	n/a

Assessments:	
Financial:	Medium - >= 5% & <9% CIRR
Strategic:	Reliability & Capacity
Operational:	Operations require execution to perform at current levels
Business Risk:	ERM Reduction >5 and <= 10
Program Risk:	High certainty around cost, schedule and resources
Assessment Score:	80

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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. This documentation will be included with this business case. 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 1 new substation per year on average depending on need and justifications.	Improved performance, reliability, operational flexibility; Obligation to Serve.	$ 1,430,714	$ -	$ -	1

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	Without adding new substations as justified, we would not be able to adequately meet our obligation to serve.	Unable to add load to system; poor system operation.		$ 250,000	$ 250,000	9
Alternative 1: Extend Feeders; Increase Substation Capacities	Extension of distribution feeders from neighboring substations and increased capacity at those substations would be required at a minimum. The negative impact is most certainly reduced reliability and difficulty in long term maintenance and system operation. Increased liability would result.	Longer outages for more customers; system stress.	$ 1,000,000	$ 150,000	$ -	6
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

Program Cash Flows

5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
2012	$ 1,275,000	$ -	$ -	$ 250,000
2013	$ 8,220,000	$ -	$ -	$ 525,000
2014	$ 1,400,000	$ -	$ -	$ 3,086,665
2015	$ 2,750,000	$ -	$ -	$ 1,375,000
2016	$ 2,000,000	$ -	$ -	$ 1,175,000
2017	$ -	$ -	$ -	$ 2,475,000
2018	$ -	$ -	$ -	$ 2,050,000
2019	$ -	$ -	$ -	$ 1,525,000
Total	$ 15,645,000	$ -	$ -	$ 12,461,665
			7-year average projected spend:	$ 1,562,381

Associated Ers (list all applicable):

2274	2321	2322	2398	2443
2459	2479	2480	2587	

Mandate Excerpt (If applicable):

Obligation to serve: Substations will need to be added to the system as justified for increased capacity and operational reliability requirements due to load growth.

Additional Justifications:

New distribution substations added to the system for load growth and reliability are critical to the long term operation of the system. As load demands increase and customer expectations rise regarding reliability, incremental distribution substation capacity is required. This allows for improved operational flexibility, better system reliability, and easier routine maintenance scheduling as equipment is more easily taken out of service because load can be transferred.
Program Link: Substation transmission integration budget dollars ($20k - $3.45M) are included in this program. The Bovill Sub transmission line is budgeted for $3.45M in 2013.
Program Link: Substation distribution integration budget dollars ($25k - $500k) are included in this program. The Bovill Sub distribution integration is budgeted for $500k in 2013.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☑ Medium Probability	☐ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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).

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__ETD-19.2

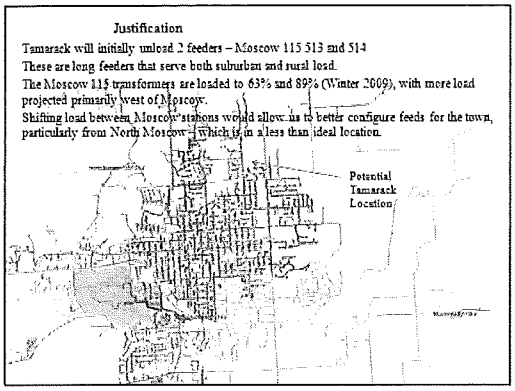
Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Energize new subs before need as justified.

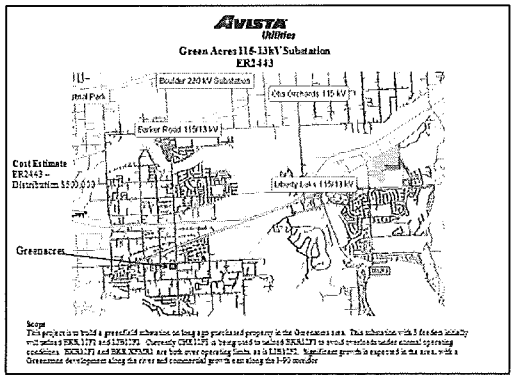
Prepared _____
Mike Magruder, Manager - Substation Engineering

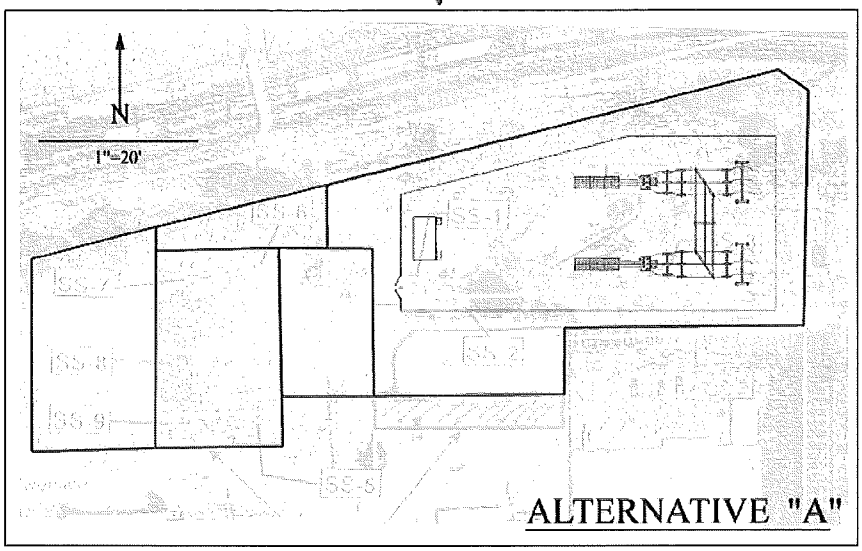
Reviewed _____
Heather Rosentrater, Director - ENSO

Reviewed _____
Andy Vickers, Director - GPSS

Margi Stevens







Upper Left: Project Diagram and preliminary justification for Tamarack Sub (NE Moscow).
Lower Left: Project Diagram and Scope for Greenacres Sub (Spokane Valley).
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

Exhibit No.__(KKS-5)
Attachment No.__ETD-20

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__ETD-20.1

AVISTA

Investment Name:	**Tribal Permits anad Settlements**		
Requested Amount	**$325,000**	**Assessments:**	
Duration/Timeframe	5 years Year Program	Financial:	High - Exceeds 12% CIRR
Dept.., Area:	Real Estate for Native American Relations	Strategic:	Reliability & Capacity
Owner:	Toni Pessemier	Operational:	Operations require execution to perform at current levels
Sponsor:	Jason Thackston	Business Risk:	ERM Reduction >5 and <= 10
Category:	Program	Program Risk:	High certainty around cost, schedule and resources
Mandate/Reg. Reference:	25 U.S.C. 323 & 357; 25 CFR 169	Assessment Score:	94

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Avista has hydro, transmission/distribution and substation facilities 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 th epermits 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.	Maintaining facilities in existing locations versus costs of having to relocate	$ 325,000	$ -	$ -	8

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	If permits remain expired or allowed to continue to expire, our facilities will be in a trespass situation exposing the company to litigation and poor media exposure. Additional construction would be required to re-route lines.	Lines could be removed from service impacting	$ 10,000,000	$ -	$ 1,000,000	16
Alternative 1: Relocation of facilities	Relocation of distribution, 115kV Transmission and 230kV Transmission facilities off reservation and onto road rights of way or private property would involve unplanned man-hours, fleet and equipment, as well as appraisals, surveys, title reports, easements and compensation.	Restore service to today's system.	$ 10,000,000	$ -		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

Program Cash Flows
5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
2012	$ 325,000	$ -	$ -	$ 325,000
2013	$ 325,000	$ -	$ -	$ 325,000
2014	$ 500,000	$ -	$ -	$ 500,000
2015	$ 1,250,000	$ -	$ -	$ 1,430,000
2016	$ 250,000	$ -	$ -	$ 315,000
2017	$ 300,000	$ -	$ -	$ 300,000
2018	$ 250,000	$ -	$ -	$ 250,000
2019	$ -	$ -	$ -	$ 150,000
Total	$ 3,200,000	$ -	$ -	$ 3,595,000

Associated Ers (list all applicable):

Current ER	2301			

Mandate Excerpt (if applicable):
25 U.S.C. 323 (Tribal Trust Lands); 25 U.S.C. 357 (Allotted Lands) and 25 CFR 169 (process)

Additional Justifications:
If Avista is unable to obtain its needed rights of way (ROW) across Tribal Trust, Tribal Fee and Allotted lands, the financial risk to Avista is significant. For example, Avista could be exposed to trespass damages and the requirement that it move, at substantial epense, its lines and facilities.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☐ High Probability	Enterprise Tech:	☐ 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).
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required	
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required	
				Fleet:	☐ YES - attach form	☑ NO or Not Required	

Printed 11-05-2014
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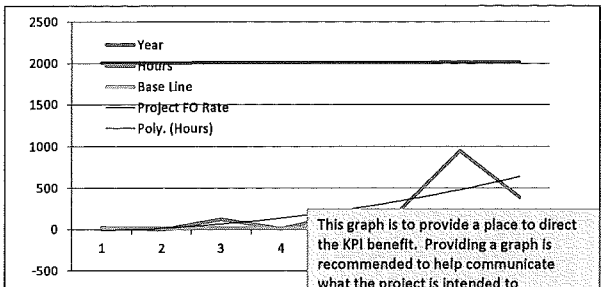
Capital Program Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__ETD-20.2

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



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

Prepared signature

Reviewed signature
Director/Manager

Other Party Review signature Margi Stevens
(if necessary) 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	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-21

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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 [1]

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.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__ETD-21.1

AVISTA

Investment Name:	**Underperforming Elec Ckts (Worst FDRs)**		
Requested Amount	**$2,000,000**	**Assessments:**	
Duration/Timeframe	on-going Year Program	Financial:	Medium - >= 5% & <9% CIRR
Dept.., Area:	Engineering/Operations	Strategic:	Life Cycle Programs
Owner:	Rosentrater/James (updated July 16, 2014)	Operational:	Operations require execution to perform at current levels
Sponsor:	Don Kopczynski	Business Risk:	ERM Reduction >5 and <= 10
Category:	Program	Program Risk:	Moderate certainty around cost, schedule and resources
Mandate/Reg. Reference:	n/a	Assessment Score:	84

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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 OH to UG, enhanced protection, and relocation.	Improve the overall system performance of the Company's "top ten" worst feeders.	$ 2,000,000	$ -	$ -	12

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	Rural area reliability indices expected to worsen as infrastructure ages and deteriotes. Expect customer contacts to local media and state government and regulatory bodies.	Ten to twenty rural FDRs whose SAIFI exceeds 10	$ -	$ -	$ -	20
50% funding	Funding at $1,000,000 would restrict current treatment to top five worst feeders.	annual spend restricted to top five worst feeders	$ 1,000,000	$ -	$ -	12
25% funding	Funding at 500,000 would restrict treatment to enhanced protection only (adding midline reclosers, additional fusing)	work plan restricted to enhanced protection	$ 500,000	$ -	$ -	0
		describe any incremental changes in operations	$ -	$ -	$ -	0

Program Cash Flows

5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
2012	$ 2,000,000	$ -	$ -	$ 1,500,000
2013	$ 2,000,000	$ -	$ -	$ 1,741,750
2014	$ 2,000,000	$ -	$ -	$ 1,808,800
2015	$ 2,000,000	$ -	$ -	$ 2,000,000
2016	$ 2,000,000			$ 2,000,000
2017	$ 2,000,000			$ 2,000,000
2018	$ 2,000,000	$ -	$ -	$ 2,000,000
2019	$ 2,000,000	$ -	$ -	$ 2,000,000
Total	$ 16,000,000	$ -	$ -	$ 15,050,550

Associated Ers (list all applicable):

Current ER	2414

Mandate Excerpt (if applicable):

Additional Justifications:

Any supplementary information that may be useful in describing in more detail the nature of the Program, the urgency, etc.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☑ Medium Probability	☐ High Probablity	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ YES - attach form	☑ NO or Not Required

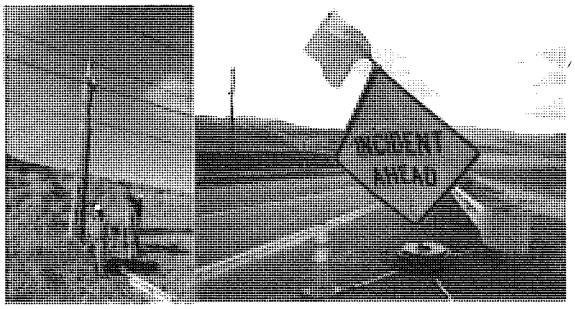
Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm committment).

Capital Program Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__ETD-21.2

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Monitor SAIFI

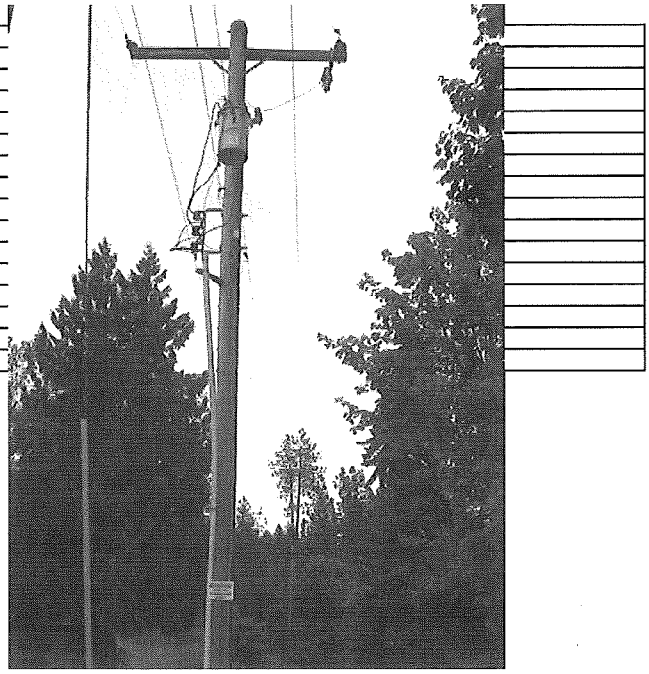


Prepared signature

Reviewed signature
Director/Manager

Other Party Review (if necessary) signature Margi Stevens
Director/Manager

Feeder	7-yr Rank	7-yr Ave	3-yr Rank	3-yr Ave	%Dif 3yr v. 7yr	1-yr Rank	% Dif 1yr v 3yr
GRV1273	1	21.02	1	13.07	38%	3	23%
DER651	2	10.44	2	8.97	14%	12	41%
GIF34F2	3	7.40	7	6.32	15%	4	-50%
SPI12F1	4	7.19	3	7.47	-4%	10	21%
STM633	5	7.18	8	6.08	15%	6	-24%
CHW12F3	6	5.58	14	4.73	15%	24	14%
JPE1287	7	5.37	4	6.82	-27%	30	46%
GIF34F1	8	5.19	17	4.11	21%	11	-32%
VAL12F1	9	5.11	6	6.34	-24%	17	24%
CLV34F1	10	5.01	11	5.29	-6%	5	-61%
ROX751	11	4.97	10	5.34	-7%	118	76%
ODN732	12	4.87	9	6.00	-23%	1	-142%
WEI1289	13	4.70	5	6.78	-44%	53	66%
WAL543	14	4.66	19	4.06	13%	26	0%
VAL12F2	15	3.85	20	3.90	-1%	8	-63%



To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-22

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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 Upgrade
2552	Opportunity 115 kV Switching Station

Approved Business Case Spend Amount 2014-2016 ($000s - System): $ 10,710 [1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case

Exhibit No.__(KKS-5)
Attachment No.__ETD-22.1

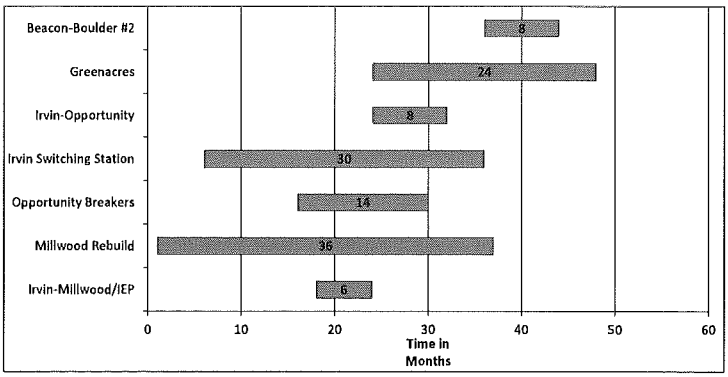
AVISTA

Investment Name:	**Spokane Valley Transmission Reinforcement**		
Requested Amount	**$13,736,503**	**Assessments:**	
Duration/Timeframe	5 Year Project	Financial:	Medium - >= 5% & <9% CIRR
Dept.., Area:	T&D - Substation & Transmission Engineering	Strategic:	Reliability & Capacity
Owner:	Heather Rosentrater	Operational:	Operations require execution to perform at current levels
Sponsor:	Don Kopczynski	Business Risk:	ERM Reduction >0 and <= 5
Category:	Project	Project/Program Risk:	High certainty around cost, schedule and resources
Mandate/Reg. Reference:	n/a	Assessment Score:	78.5

Recommend Project Description:	Performance	Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
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/IEP. The completion of these projects are required to mitigate existing and future performance and reliability issues of the Transmission System in the Spokane Valley.	Ability to serve load growth in area and provide operational flexibility to maintain equipment	$ 13,736,503	$ -	$ -	1

Alternatives:		Performance	Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo:	Heavy thermal loading (>90%) is projected to occur on local transmission lines in the near term planning horizon. Presently the Beacon - Boulder #2 Transmission Line cannot be taken out of service to be maintained/rebuilt due to operational constraints serving IEP's new synchronous motor load.	n/a	$ -	$ -	$ -	6
Alternative 1: Partial Transmission System Upgrades	Upgrade existing Transmission System by installing capacitor banks and rebuilding 115 kV transmission lines with 795 ACSS conductor. Further capital expenditures will be required going forward.	Thermal load reduced in near term planning horizon	$ 9,600,000	$ -	$ -	4
Alternative 2: Irvin Plan Minus IRV-MIL 115 kV Line	Construct all items in proposed Project except the new 115 kV transmission line from Irvin to Millwood/IEP. Ability to serve IEP is still constrained.	Thermal load reduced in near term planning horizon	$ 9,500,000	$ -	$ -	4
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	$ 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

Milestones (high level targets)

January-12	Construct Irvin-Millwood/IEP 115 line	December-12	Complete construction (terminate Irvin end of line when Irvin is completed - 2014)
January-12	Rebuild Millwood Sub (not included in Project)	September-13	Complete rebuild
January-12	Build Irvin 115 kV Switching Station	December-16	Complete 115 kV Switching Station; Add Distribution later
January-12	Install breakers at Opportunity	December-14	Complete installation
January-13	Rebuild Irvin-Opportunity 115 kV line	December-13	Complete rebuild
January-13	Construct Greenacres Sub (not included in Project)	April-15	Complete construction
January-15	Rebuild Beacon-Boulder #2 115 kV line	December-15	Complete rebuild

Associated Ers (list all applicable):	1006	2001	2446	2474	2526	2552		

Mandate Excerpt (if applicable):

With continued load growth, violation of TPL-002, R1 (ability to supply projected customer demands under 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.

AVISTA

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☑ Medium Probability	☐ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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 Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here

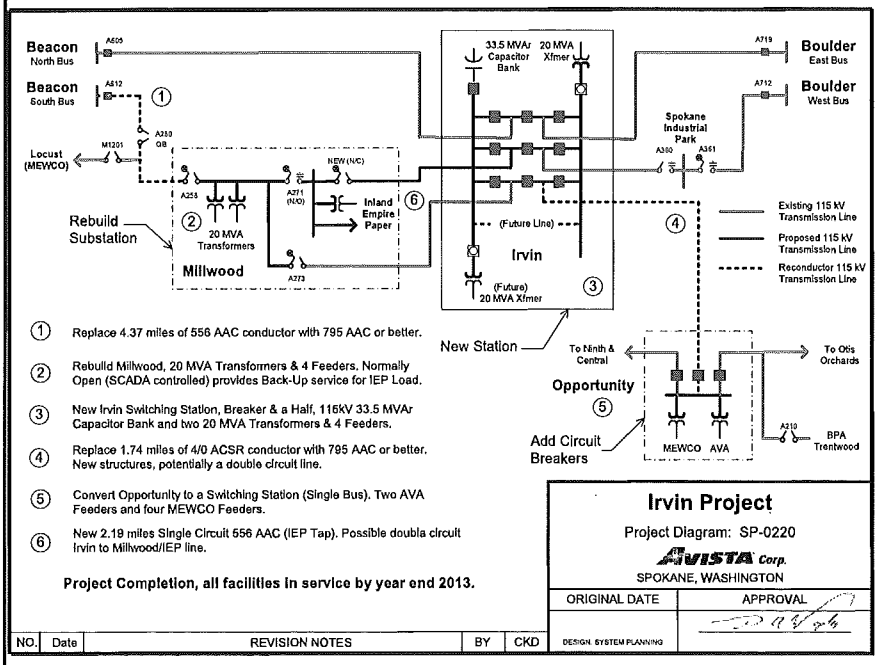
Prepared Mike Magruder/Ken Sweigart, T&D Substations/Transmission

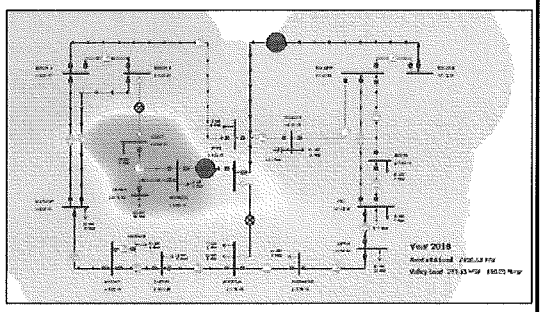
Reviewed Heather Rosentrater, Director - ENSO

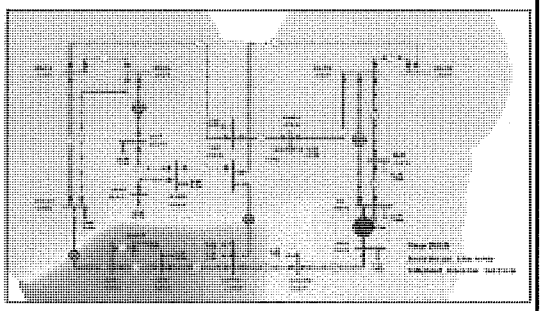
Reviewed Andy Vickers, Director - GPSS

Margi Stevens

Below is the approved Project Diagram for the "Irvin Project" and power simulation plot indicating thermal overload on transmission lines during specific outage scenarios







To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-23

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Project Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__ETD-23.1

Investment Name:	**Clearwater Sub Upgrades**		
Requested Amount	**$3,700,000**	**Assessments:**	
Duration/Timeframe	4 Year Project	Financial:	7.00%
Dept.., Area:	T&D - Substations/Transmission	Strategic:	Reliability & Capacity
Owner:	Heather Rosentrater	Business Risk:	Business Risk Reduction >15
Sponsor:	Don Kopczynski	Project Risk:	High certainty around cost, schedule and resources
Category:	Project		
Mandate/Reg. Reference:	n/a	Assessment Score:	#NAME?

Recommend Project Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
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.	better operational flexibility, improved system comms and metering	$ -	$ -	$ -	1

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	The existing station is a single bus with "sliding link" air switches that are extremely dangerous to operate. A 115 kV fault in the station will shut down Clearwater Paper entirely until the problem can be fixed. Existing meters are obsolete and routinely cause problems.	n/a	$ 100,000	$ 50,000	$ 1,000,000	6
Alternative 1: Brief name of alternative (if applicable)	Several options were discussed with Clearwater Paper Co. The recommended project is what was agreed upon with Clearwater Paper to meet both parties' requirements. So, no other alternatives will be included with this Project Business Case.	describe any incremental changes in operations	$ -	$ -	$ -	1
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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2013	$ 700,000	$ -	$ -	$ 800,000
2014	$ 2,000,000	$ -	$ -	$ 1,300,000
2015	$ 500,000	$ -	$ -	$ 500,000
2016	$ 500,000	$ -	$ -	$ 500,000
2017+	$ -	$ -	$ -	$ -
Total	$ 3,700,000	$ -	$ -	$ 3,100,000

Associated ERs (list all applicable):			
2571			

ER	2013	2014	2015	2016	2017+	Total
2571	$ 700,000	$ 2,000,000	$ 500,000	$ 500,000	$ -	$ 3,700,000
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 700,000	$ 2,000,000	$ 500,000	$ 500,000	$ -	$ 3,700,000

Mandate Excerpt (if applicable):

provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:

In order to meet the aggressive milestones, business case approval is needed immediately so project funding can be secured to begin design and procurement. Schedule commitments with Clearwater Paper are challenging.

Milestones (high level targets)

March-13	Sub Design Begins	Spring-14	T-line Shoofly Const.	Spring-16	Upgrade Transformer n
June-13	UT2 - 34 kV Bkr Design xmitted	Summer-14	115 kV Bus Sect. Bkr. Const.	January-00	open
July-13	T-Line Design Begins	Fall-14	Commission Tie Breaker	January-00	open
September-13	UT2 - 34 kV Bkr Replaced	Winter-14	Upgrade SCADA	January-00	open
Winter-13	115 kV Sub Design	Spring-15	Upgrade Lolo 2 Relays	January-00	open
Spring-14	115 kV Bay Const. A-448	Fall-15	Upgrade N Lewiston Relays	January-00	open

Milestones should be general. Use your judgement on project progress so that progress can

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required	Capital Tools:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☐ YES	☑ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required	Fleet:	☐ YES - attach form	☑ NO or Not Required

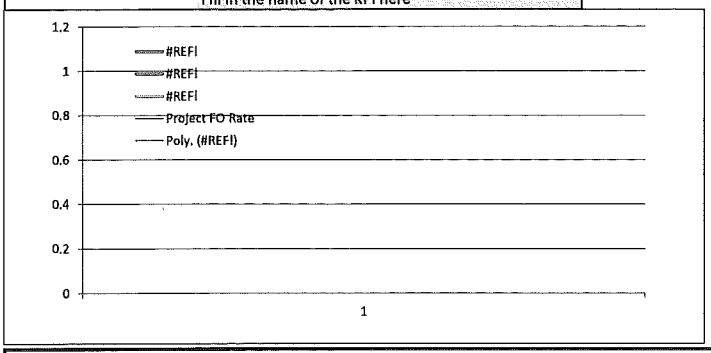
Printed 01-08-2015
C:\Users\vf9457\Desktop\Indexed Business Cases For KKS-5\New folder\ETD-23 - Update - Clearwater Sub Upgrades

Capital Project Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__ETD-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

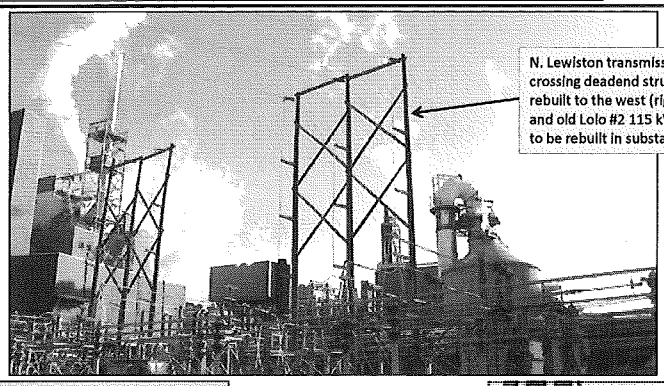


Prepared Mike Magruder/Ken Sweigart, T&D Substations/Transmission

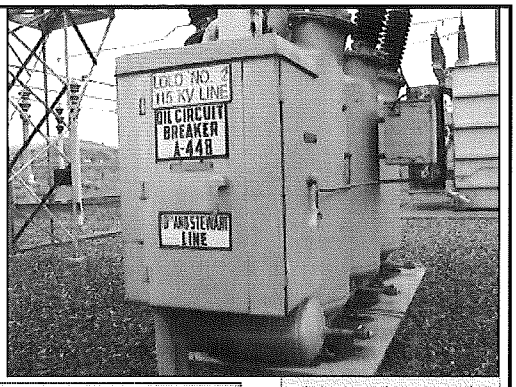
Reviewed Heather Rosentrater, Director - ENSO

Reviewed Andy Vickers, Director - GPSS

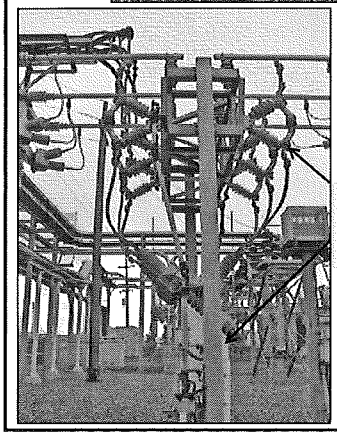
Reviewed (if necessary) Director



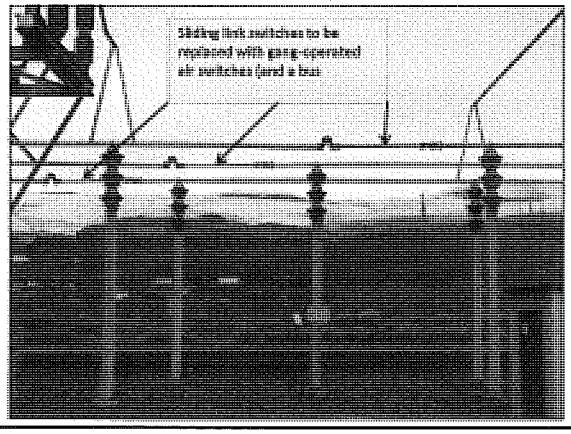
N. Lewiston transmission line river crossing deadend structure to be rebuilt to the west (right in photo) and old Lolo #2 115 kV line terminal to be rebuilt in substation.



Oil Circuit Breaker A-448 to be replaced/moved to new 115 kV line terminal location west of



34 kV UT2 breaker and air switches to be replaced . 34 kV UT1 breaker and air



Sliding link switches to be replaced with gang-operated air switches (and a bus

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-24

AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS

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): $1,086[1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__ETD-24.1

Investment Name:	**Franchising for WSDOT**		
Requested Amount	$265,000	Assessments:	
Duration/Timeframe	20 Year Program	Financial:	Medium - >= 5% & <9% CIRR
Dept.., Area:	Environmental	Strategic:	Life Cycle Programs
Owner:	Rod Price (Mgr) Bruce Howard (Dir)	Operational:	Operations somewhat impacted by execution
Sponsor:	Marian Durkin	Business Risk:	ERM Reduction >5 and <= 10
Category:	Program	Program Risk:	High certainty around cost, schedule and resources
Mandate/Reg. Reference:	n/a	Assessment Score:	81

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
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.	Present operation performance will remain	$ 265,000		$ -	1

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Without WSDOT Franchises, we may be evicted from WSDOT property, thus requiring that we relocate our facilities. In addition, we will not be able to add new facilities to WSDOT properties if needed to serve our load or operate our system as required.	n/a	$ -	$ -	moderate to extreme	9
move facilities to private property	This would involve obtaining easements on, or buying, private property and moving all of the existing facilities.	interrupt services to move facilities	$ -	$ -	moderate to extreme	1
			$ -	$ -	$ -	0
			$ -	$ -	$ -	0

Program Cash Flows
5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
2012		$ -	$ -	$ 250,000
2013		$ -	$ -	$ 125,000
2014	$ 265,000	$ -	$ -	$ 165,000
2015	$ 195,000	$ -	$ -	$ 427,375
2016	$ 125,000	$ -	$ -	$ 494,100
2017	$ 125,000	$ -	$ -	$ 9,100
2018	$ 125,000	$ -	$ -	$ 2,500
2019	$ -	$ -	$ -	$ 5,600
Total	$ 835,000	$ -	$ -	$ 1,478,675

Associated Ers (list all applicable):
7108

Mandate Excerpt (if applicable):
provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:
WSDOT will not allow new facilities to be built on franchises that have expired.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☐ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☐ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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).

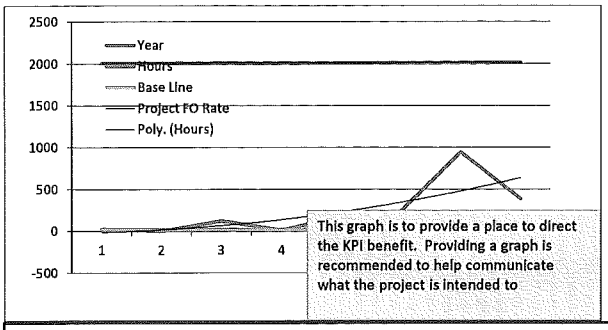
Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__ETD-24.2

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	obtain franchises
	Fill in the name of the KPI here



Prepared signature

Reviewed signature
Director/Manager

Other Party Review signature Margie Stevens
(if necessary) 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	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-25

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $3,040[1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Project Business Case

AVISTA

Investment Name:	**Harrington Upgrades**
Requested Amount	**$3,000,000**
Duration/Timeframe	1 Year Project
Dept.., Area:	T&D - Substations/Distribution
Owner:	Heather Rosentrater
Sponsor:	Don Kopczynski
Category:	Project
Mandate/Reg. Reference:	n/a

Assessments:

Financial:	7.00%
Strategic:	Reliability & Capacity
Business Risk:	Business Risk Reduction >5 and <= 10
Project Risk:	High certainty around cost, schedule and resources
Assessment Score:	#NAME?

Recommend Project Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Harrington Voltage Conversion. Harrington 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.	Removes long term outage risk for sub failures; reduces losses; standardizes system	$ 3,000,000	$ -	$ -	1

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	Do nothing. This option poses increased risk for the Company and exposes Harrington customers to potentially long outages. The substation has reached end of life and its equipment is obsolete. Unplanned restoration costs will be more expensive as a result.	n/a	$ 300,000	$ 100,000	$ 1,000,000	6
Unfunded Project: Cont'd	The existing station also has high voltage fuses protecting the transformer that are over-dutied, meaning they may not function as needed for a fault. This is one of five remaining stations with this type of fusing.	describe any incremental changes in operations	$ -	$ -	$ -	1
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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2013	$ -	$ -	$ -	$ -
2014	$ 3,000,000	$ -	$ -	$ 40,000
2015	$ -	$ -	$ -	$ 2,000,000
2016	$ -	$ -	$ -	$ 1,000,000
2017+	$ -	$ -	$ -	$ -
Total	$ 3,000,000	$ -	$ -	$ 3,040,000

Associated Ers (list all applicable):			
2289			

ER	2013	2014	2015	2016	2017+	Total
2289	$ -	$ 3,000,000	$ -	$ -	$ -	$ 3,000,000
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ 3,000,000	$ -	$ -	$ -	$ 3,000,000

Mandate Excerpt (if applicable):

provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:

If the substation transformer fails, our spare units are at Ritzville and they are very old. We have tested them and so far, they are good. We have another option to install a 115/13 kV transformer and then a 13/4 kV transformer to serve the load. Doing nothing is simply not in the best interest of our customers or shareholders. This is the only 4 kV distribution system we own and operate and it needs to be upgraded to a standard utility voltage class.

Milestones (high level targets)

January-14	Begin Design	July-14	Remove & Salvage Old Substation	January-00	open
March-14	Start Distribution Line Work	August-14	Start Substation Construction	January-00	open
May-14	Transmit Substation Rebuild	October-14	Complete Substation Construction	January-00	open
June-14	Install Mobile Substation	October-14	Transfer Load from Mobile to Sub	January-00	open
June-14	Start Distribution Cutover Process	November-14	Return Mobile to Spokane	January-00	open
July-14	Complete Cutover Process	January-00	open	January-00	open

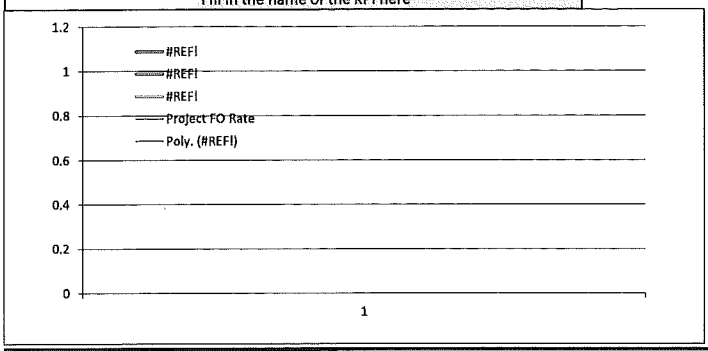
Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☐ Medium Probability	☑ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required	Capital Tools:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☐ YES	☑ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required	Fleet:	☐ YES - attach form	☑ NO or Not Required

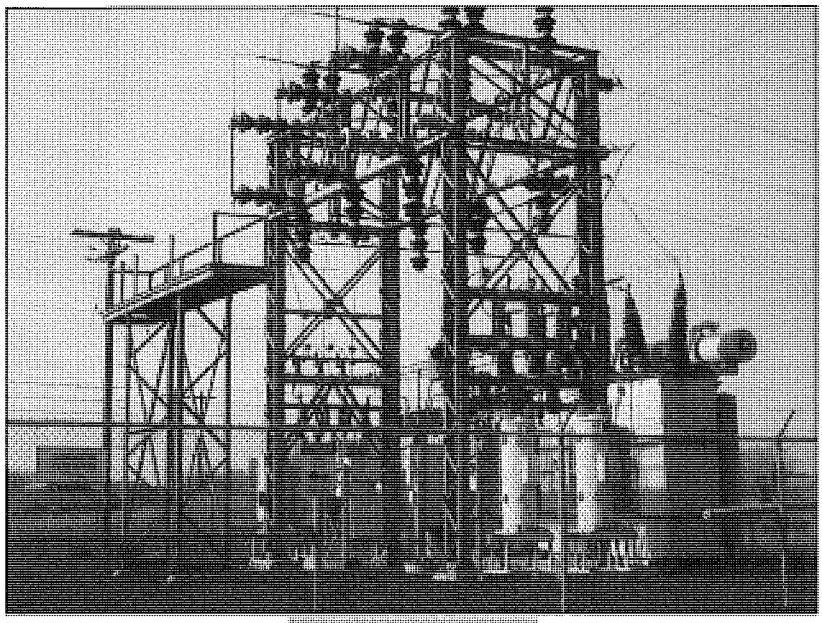
Exhibit No.__(KKS-5)
Attachment No.__ETD-25.2

AVISTA

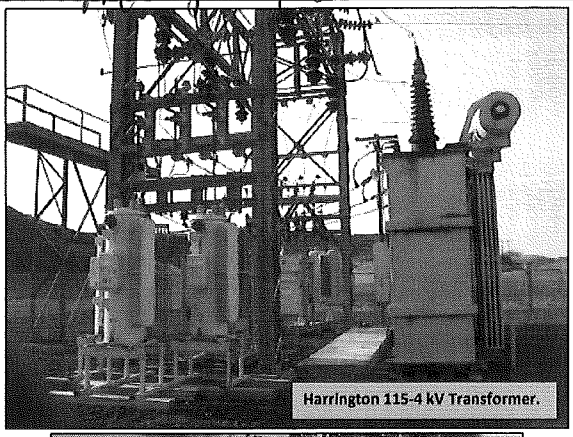
Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here



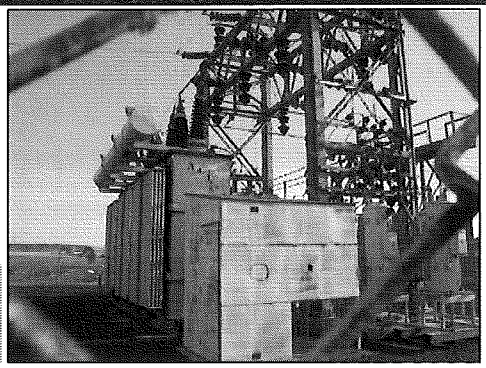
Prepared	Mike Magruder/Dave James, T&D Substations/Distribution	
Reviewed	Heather Rosentrater, Director - ENSO	
Reviewed	Andy Vickers, Director - GPSS	
Reviewed	Bryan Cox, Director - West Operations	Marian Streeter



Harrington 115-4 kV Substation.



Harrington 115-4 kV Transformer.



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

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-28

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

Functional Group: Electric Transmission / Distribution

Business Case Name: Transmission - Asset Management

ER No:	**ER Name:**
2057	Transmission Minor Rebuild
2254	System 115kV Air Switch Upgrade

Approved Business Case Spend Amount 2014-2016 ($000s - System): $7,272[1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__ETD-28.1

Investment Name:	**Trans Asset Man**				
Requested Amount	**$1,400,000**	**Assessments:**			
Duration/Timeframe	Indefinite Year Program	Financial:	10.00%		
Dept.., Area:	T&D - TLD Engineering	Strategic:	Life-cycle asset management		
Owner:	Heather Rosentrater	Business Risk:	Business Risk Reduction >0 and <= 5		
Sponsor:	Don Kopczynski	Program Risk:	High certainty around cost, schedule and resources		
Category:	Program				
Mandate/Reg. Reference:	WECC Standard FAC-501-WECC-1	Assessment Score:	#NAME?		

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
The Transmission Asset Management Business Case covers the follow-up work to the Wood Pole Inspection in ER 2057, and Air Switch Replacements in ER 2254.	Customer IRR of 8.9%	$ 1,400,000	$ 331,000	$ -	12

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	Without replacing old and worn-out poles and cross-arms, our system will be increasing at risk for more failures and more risk of a major fire. As time moves forward, the number of failures and risk of a major fire will increase and increase the difference in costs between the two alternatives.	Higher risk of a transmission line causing a major fire due to pole or crossarm failures	$ 3,464,530	$ -	$ 1,576,000	15
Alternative 1: Brief name of alternative (if applicable)	Replace wood poles and cross-arms identified by inspection and when a significant portion of the transmission line has reached the end of life for the majority of the poles, replace the transmission structures under a larger project. This also covers replacing Transmission Air Switches located outside of the substations that have reached their end of life. For major rebuilds, new conductors would increase the capacity of the system and help reduce transmission losses	Customer IRR of 8.9% and avoids about 580 events per year	$ 4,205,000	$ 331,000	$ -	12
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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2014	$ 1,315,000	$ 331,823	$ -	$ 3,790,000
2015	$ 1,370,000	$ 339,455	$ -	$ 1,709,455
2016	$ 1,425,000	$ 347,262	$ -	$ 1,772,262
2017	$ 1,425,000	$ 355,249	$ -	$ 1,780,249
2018	$ 1,480,000	$ 363,420	$ -	$ 1,843,420
2019	$ 1,530,000	$ 378,117	$ -	$ 1,908,117
Total	$ 8,545,000	$ 2,115,326	$ -	$ 12,803,503

Associated Ers (list all applicable):			
2057	2254		

ER	2014	2015	2016	2017	2018	Total
2057	$ 1,431,823	$ 1,489,455	$ 1,547,262	$ 1,555,249	$ 1,613,420	$ 7,637,209
2254	$ 215,000	$ 220,000	$ 225,000	$ 225,000	$ 230,000	$ 1,115,000
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ 1,646,823	$ 1,709,455	$ 1,772,262	$ 1,780,249	$ 1,843,420	$ 8,752,209

Mandate Excerpt (if applicable):

The majority of this Program is mandated under NERC Standards FAC-501-WECC-1. Failure to comply with standard could result in large financial penalties.

Additional Justifications:

Any supplementary information that may be useful in describing in more detail the nature of the Project, the urgency, etc.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☑ Medium Probability	☐ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ YES - attach form	☑ NO or Not Required

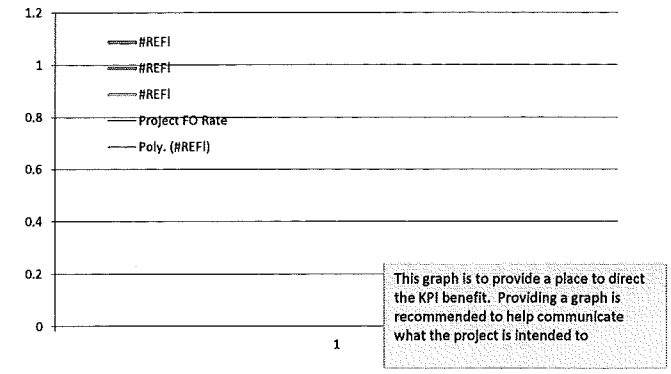
Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm committment).

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here

AVISTA



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

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Reviewed signature
Director/Manager

Other Party Review signature Margi Stevens
(if necessary) 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	Review Cycles 2012-2016	
	Date	**Template**

Exhibit No.__(KKS-5)
Attachment No.__ETD-30

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $3,690[1]

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__ETD-30.1

Investment Name:	**NERC Low Priority Mit**		
Requested Amount	**$1,500,000**	**Assessments:**	
Duration/Timeframe	4 Year Program	Financial:	9.00%
Dept.., Area:	TLD Engineering	Strategic:	Reliability & Capacity
Owner:	Heather Rosentrater	Business Risk:	Business Risk Reduction >10 and <= 15
Sponsor:	Don Kopczynski	Program Risk:	High certainty around cost, schedule and resources
Category:	Program		
Mandate/Reg. Reference:	October 7, 2010 "NERC Alert" w/r Facility Ratings	Assessment Score:	#NAME?

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program reconconfigures 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. Mitgation 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).	Regulatory compliance, upgraded facilities, greater clearance, and (in some cases) greater load capabilities.	$ 1,500,000	$ -	$ -	1

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease) Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	The unfunded ("do nothing") approach would place Avista at odds with NERC recommendations, and increase the potential for large fines for any outage and/or incident connected with line clearance. Additionally, failure to mitigate would place Avista in violation of NESC code standards and the WAC.	Relatively high probability of fines and legal action against Avista.	$ -	$ -	$ -	16
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	$ -	$ -	$ -	1
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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2013	$ -	$ -	$ -	$ -
2014	$ 250,000	$ -	$ -	$ 1,190,000
2015	$ 500,000	$ -	$ -	$ 500,000
2016	$ 2,500,000	$ -	$ -	$ 2,000,000
2017	$ 2,500,000	$ -	$ -	$ 3,000,000
Total	$ 5,750,000	$ -	$ -	$ 6,690,000

Associated Ers (list all applicable):			
2579			

ER	2013	2014	2015	2016	2017	Total
2579	$ -	$ 250,000	$ 500,000	$ 2,500,000	$ 2,500,000	$ 5,750,000
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ 250,000	$ 500,000	$ 2,500,000	$ 2,500,000	$ 5,750,000

Mandate Excerpt (if applicable):

Regulatory: Specific transmission lines require modfication/rebuild for increased line clearance.
Risk Management: Specific transmission lines require rebuild to reduce potential public injury risks.

Additional Justifications:

Any supplementary information that may be useful in describing in more detail the nature of the Project, the urgency, etc.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☑ Medium Probability	☐ High Probability	Enterprise Tech:	☐ 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).
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required	
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required	
				Fleet:	☐ YES - attach form	☑ NO or Not Required	

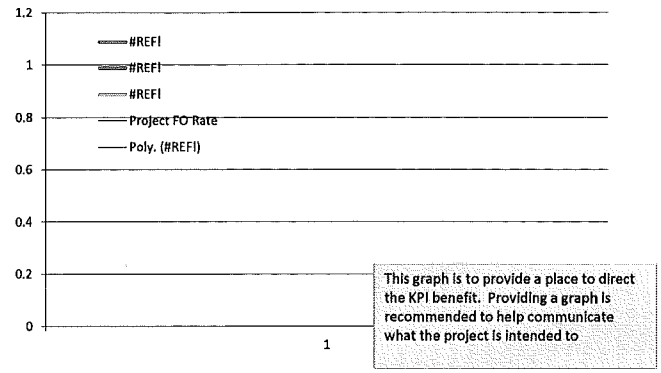
Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__ETD-30.2



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

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Director/Manager

Other Party Review signature Margi Stevens
(if necessary) 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	Review Cycles 2012-2016	
	Date	**Template**

Exhibit No.__(KKS-5)
Attachment No.__ETD-31

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Exhibit No.__(KKS-5)
Attachment No.__ETD-31.1

Investment Name:	NERC Med Priority Mit		
Requested Amount	$2,500,000	**Assessments:**	
Duration/Timeframe	2 Year Program	Financial:	9.00%
Dept.., Area:	TLD Engineering	Strategic:	Reliability & Capacity
Owner:	Heather Rosentrater	Business Risk:	Business Risk Reduction >10 and <= 15
Sponsor:	Don Kopczynski	Program Risk:	High certainty around cost, schedule and resources
Category:	Program		
Mandate/Reg. Reference:	October 7, 2010 "NERC Alert" w/r Facility Ratings	Assessment Score:	#NAME?

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
This program reconconfigures 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 "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. Mitgation 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).	Regulatory compliance, upgraded facilities, greater clearance, and (in some cases) greater load capabilities.	$ 2,500,000	$ -	$ -	1

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	The unfunded ("do nothing") approach would place Avista at odds with NERC recommendations, and increase the potential for large fines for any outage and/or incident connected with line clearance. Additionally, failure to mitigate would place Avista in violation of NESC code standards and the WAC.	Relatively high probability of fines and legal action against Avista.	$ -	$ -	$ -	16
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	$ -	$ -	$ -	1
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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2013	$ -	$ -	$ -	$ -
2014	$ 1,693,000	$ -	$ -	$ 1,731,000
2015	$ 3,294,000	$ -	$ -	$ 3,294,000
2016	$ -	$ -	$ -	$ 2,251,000
2017	$ -	$ -	$ -	$ -
Total	$ 4,987,000	$ -	$ -	$ 7,276,000

Associated Ers (list all applicable):			
2581			

ER	2013	2014	2015	2016	2017	Total
2581	$ -	$ 1,693,000	$ 3,294,000	$ -	$ -	$ 4,987,000
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ 1,693,000	$ 3,294,000	$ -	$ -	$ 4,987,000

Mandate Excerpt (if applicable):

Regulatory: Specific transmission lines require modfication/rebuild for increased line clearance. Risk Management: Specific transmission lines require rebuild to reduce potential public injury risks.

Additional Justifications:

Any supplementary information that may be useful in describing in more detail the nature of the Project, the urgency, etc.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☑ Medium Probability	☐ High Probablity	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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 Performance Indicator(s)

Expected Performance Improvements

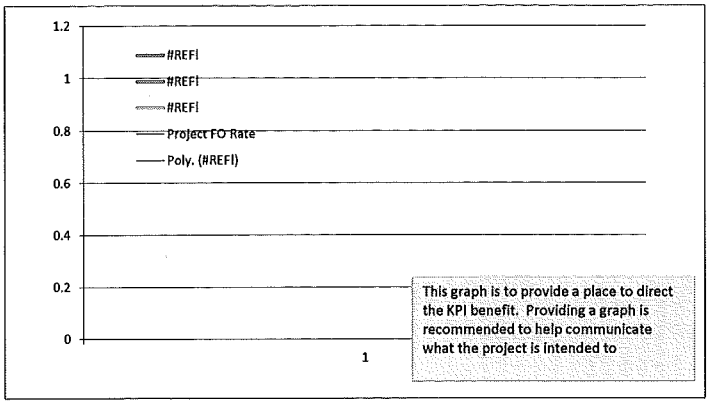
KPI Measure:	Fill in the name of the KPI here

Capital Program Business Case

Exhibit No.__(KKS-5)
Attachment No.__ETD-31.2

AVISTA

Fill in the name of the KPI here



Prepared signature

Reviewed signature
Director/Manager

Other Party Review signature Margie Stevens
(if necessary) 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	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-32

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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:
There are no anticipated offsets with this business case.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Investment Name:	**SCADA - SOO and BUCC**
Requested Amount	**Average capital amt 2013-18 is $986,500**
Duration/Timeframe	20 Year Program
Dept.., Area:	T&D - SCADA - System Operations
Owner:	Craig Figart/Brad Calbick/Heather Rosentrater
Sponsor:	Don Kopczynski
Category:	Program
Mandate/Reg. Reference:	WECC/NERC/FERC

Assessments:	
Financial:	7.00%
Strategic:	Reliability & capacity
Business Risk:	Business Risk Reduction >5 and <= 10
Program Risk:	High certainty around cost, schedule and resources
Assessment Score:	#NAME?

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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).	Improved performance, upgraded equipment, better status & control, new life cycle.	$ 1,036,000	$ 473,926	$ -	2

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program:	Non-compliant operational capabilities and practices would result in negative audit findings, financial penalties, and litigation expenses. Obsolete equipment would remain in service until failure. Additional capacity for growth may or may not be suitable for required expansions to meet other (e.g. Regulatory, SGIG) needs.	Severe negative system reliability and compliance impacts	$ -	$ 100,000	$ 500,000	12
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	$ -	$ -	$ -	2
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

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2014	$ 1,090,500	$ -	$ -	$ 1,028,500
2015	$ 1,020,000	$ 473,926	$ -	$ 1,020,000
2016	$ 1,002,000	$ 487,158	$ -	$ 1,002,000

Associated Ers (list all applicable):			
2277			

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Exhibit No.___ (KKS-5)
Attachment No.__ ETD-32.1

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AVISTA

2017	$ 1,044,000	$ 503,915	$ -	$ 1,044,000
2018	$ 920,000	$ 518,323	$ -	$ 920,000
2019	$ 1,013,000	$ 533,317	$ -	$ 1,013,000
2020+	$ 920,000	$ 548,312	$ -	$ -
Total	$ 7,009,500	$ 3,064,951	$ -	$ 6,027,500

ER	2015	2016	2017	2018	2019	Total
2277	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -	$ -	$ -

Mandate Excerpt (if applicable):

NERC reliability standards are being continually changed. New and changed standards are expected which will address emergency operations, transmission operations, critical infrastructure protection, communications, and balancing authority operations. Gas Control Room Management

Additional Justifications:

This program replaces and/or upgrades existing control center telecommunications and computing systems for a number of reasons including, end of useful life, increased capacity requirements, and new operational and regulatory requirements. Cuts to this program need to be closely evaluated to assure that reliable and compliant operations are not impacted.

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability: ☐ Low Probability ☐ Medium Probability ☑ High Probablity
Contract Labor: ☐ YES ☑ NO

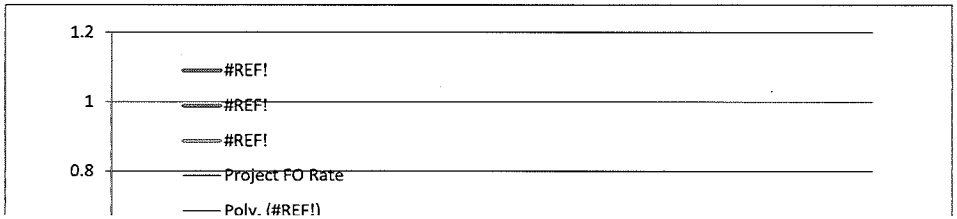
Enterprise Tech: ☐ YES - attach form ☑ NO or Not Required
Facilities: ☐ YES - attach form ☑ NO or Not Required
Capital Tools: ☐ YES - attach form ☑ NO or Not Required
Fleet: ☐ YES - attach form ☑ NO or Not Required

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 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

Reviewed signature

Director/Manager

Exhibit No.___ (DCG-20)
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Exhibit No.___(KKS-5)
Attachment No.___ETD-32.2

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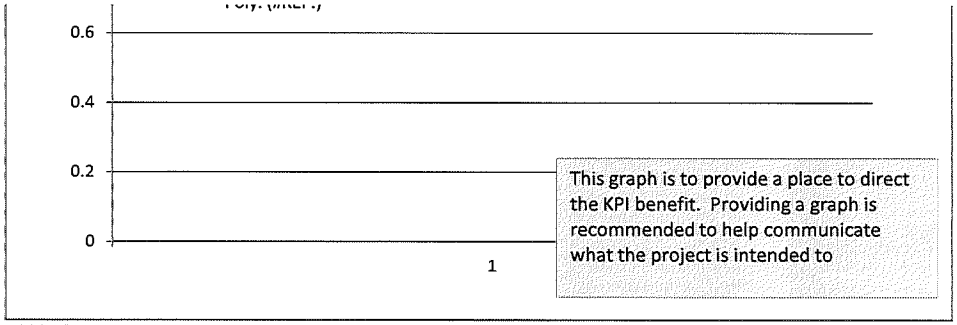
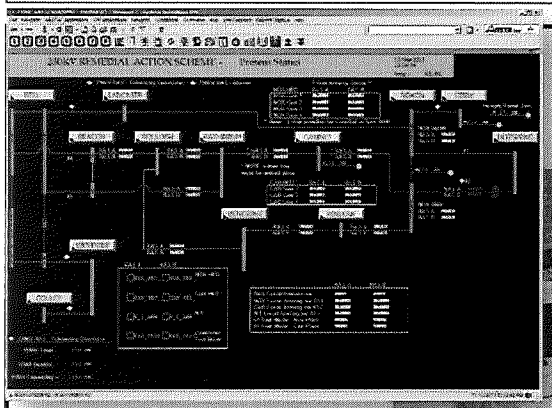
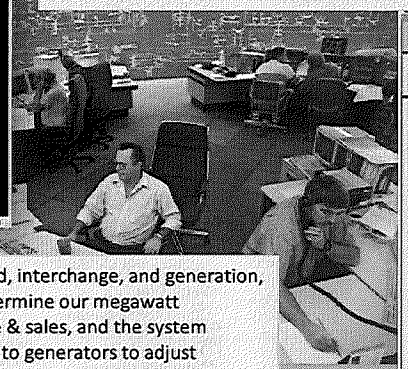


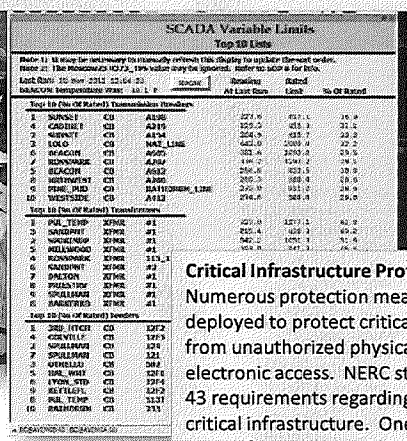
This graph is to provide a place to direct the KPI benefit. Providing a graph is recommended to help communicate what the project is intended to

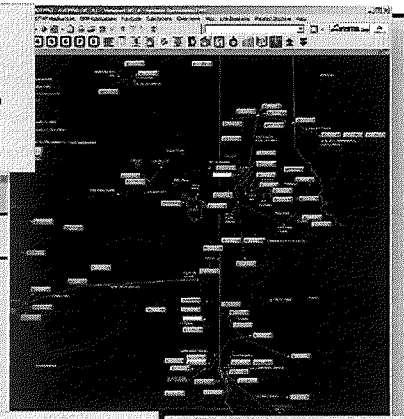
Other Party Review (if necessary) signature Margi Stevens Director/Manager



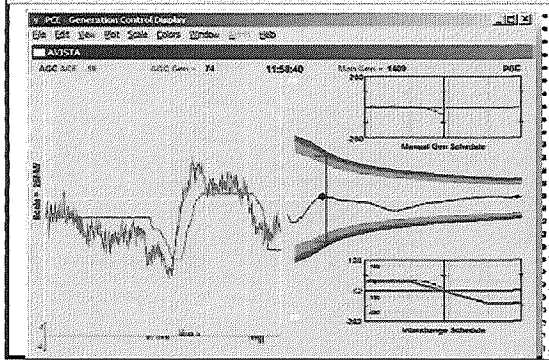
Transmission Operations – Certified System Operators monitor system conditions round-the-clock. They perform switching operations, maintain system voltage, and respond to abnormal conditions. Constant communication occurs with neighboring systems and regional authorities to assure system reliability. Operators are trained to respond to emergency situations such as black start restoration, load shedding, disturbance response, and activation of the Backup Control Center.

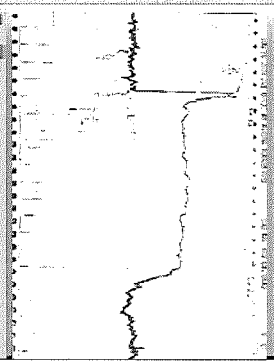




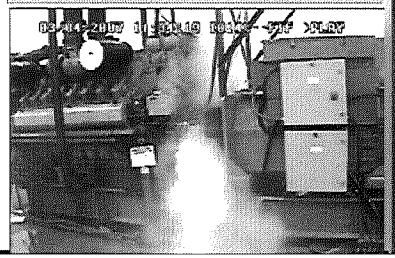


Balancing Authority – To maintain the balance between load, interchange, and generation, automated calculations occur every four seconds which determine our megawatt obligation based on our customer load, contracted purchase & sales, and the system frequency at that instant. Controls are automatically issued to generators to adjust generation to meet our obligation. Control algorithms are optimized to minimize





Critical Infrastructure Protection – Numerous protection measures are deployed to protect critical systems from unauthorized physical and electronic access. NERC standards have 43 requirements regarding protection of critical infrastructure. Onerous audits are performed every 3 years. Potentially significant financial penalties result from any instances of non-



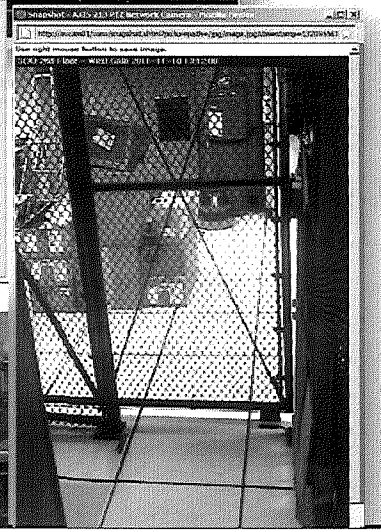


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Exhibit No.___ (KKS-5)
Attachment No.__ ETD-32.3

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-34

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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): $14,725[1]

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:
There are no anticipated offsets with this business case.

[1]The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case

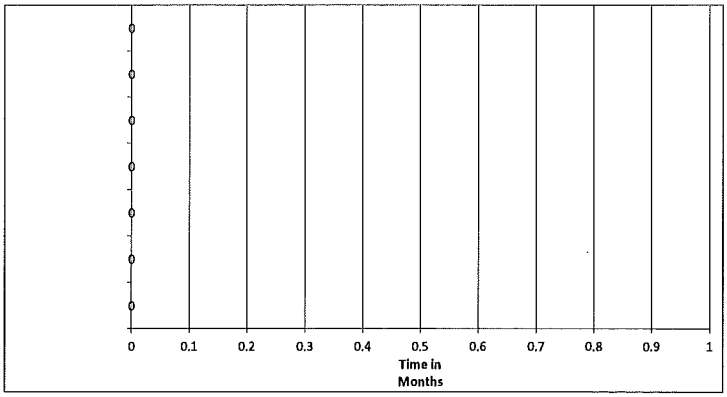
AVISTA

Investment Name:	**Noxon Switchyard Rebuild**		
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 & Capacity
Owner:	Heather Rosentrater	Operational:	Operations require execution to perform at current levels
Sponsor:	Don Kopczynski	Business Risk:	ERM Reduction >0 and <= 5
Category:	Project	Project/Program Risk:	High certainty around cost, schedule and resources
Mandate/Reg. Reference:	n/a	Assessment Score:	79

Recommend Project Description:	**Performance**	**Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
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 tie breaker separating the East and West buses. The station is the interconnection point of the Noxon Rapids Hydro Electric Dam 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.	Improve station reliability by replacing end of life equipment. Improve equipment capacity ratings where possible.	$ 24,950,000	$ -	$ -	1

Alternatives:		**Performance**	**Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Status Quo :	The existing Noxon Switchyard will continue to present reliability concerns. Outages caused by equipment failure could cause curtailment of generation and reduced interconnection capacity with neighboring utilities.	n/a	$ -	$ -	$ -	6
Alternative 1:	Replace end of life equipment and strain bus in existing station. This still leaves the station as a single bus, which does not improve single contingency outage possibilities as well as other bus configurations would. Installation of voltage control (reactors) would still be required.		$ 8,500,000	$ -	$ -	0
			$ -	$ -	$ -	0
			$ -	$ -	$ -	0

Timeline



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							
Mandate Excerpt (if applicable):								

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

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	☐ Low Probability	☑ Medium Probability	☐ High Probability	Enterprise Tech:	☐ YES - attach form	☑ NO or Not Required
Contract Labor:	☑ YES	☐ NO		Facilities:	☐ YES - attach form	☑ NO or Not Required
				Capital Tools:	☐ YES - attach form	☑ NO or Not Required
				Fleet:	☐ 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 Performance Indicator(s)

Expected Performance Improvements

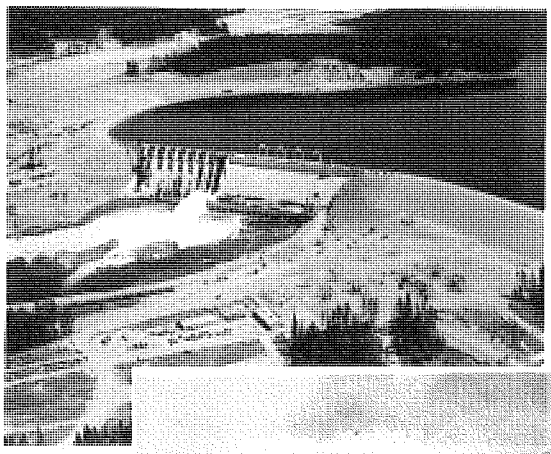
KPI Measure:	Complete Reactor Yard/minor station upgrades in 2015.
	Complete remainder of station as time/budget allows.

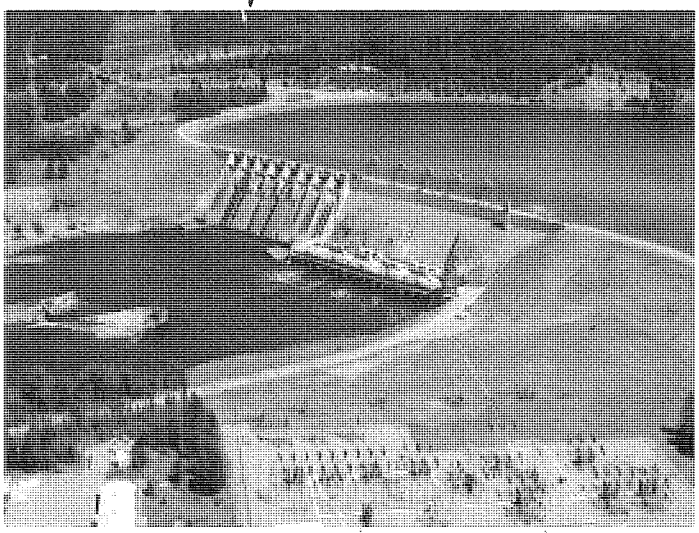
Prepared Mike Magruder/Ken Sweigart, T&D - Substations/Transmission

Reviewed Heather Rosentrater, Director - ENSO

Reviewed Andy Vickers, Director - GPSS

Margi Stevens





Above: recent picture of the Noxon HED and Switchyard
Left: Pictures of Noxon Hed and Switchyard shortly after orginal construction - 1956

Planning and Design Scoping Documents are available upon request.

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

Exhibit No.__(KKS-5)
Attachment No.__ETD-35

AVISTA UTILITIES
2014-2016 CAPITAL PROJECTS

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[1]

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.

[1] The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case

AVISTA

Investment Name:	**Street Light Management**
Requested Amount	**$475,000**
Duration/Timeframe	Indefinite 2014
Dept.., Area:	Operations
Owner:	Al Fisher
Sponsor:	Don Kopczynski
Category:	Program
Mandate/Reg. Reference:	n/a

Assessments:	
Financial:	7.92%
Strategic:	Life-cycle asset management
Business Risk:	Business Risk Reduction >5 and <= 10
Program Risk:	Moderate certainty around cost, schedule and resources
Assessment Score:	#NAME?

Recommend Program Description:	**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Street Light Maintenance Program. This program is a 5 year planned replacement of bulbs and 10 year planned replacement of photocells. This alternative has the starterboards running to failure.	7.92%	$ 475,000	$ (250,000)	$ (750,000)	8

Alternatives:		**Performance**	**Annual Cost Summary - Increase/(Decrease) Capital Cost**	**O&M Cost**	**Other Costs**	**Business Risk Score**
Unfunded Program: Continue maintaining the street lights as failures occur	The lights are currently maintained based on customer feedback and/or due to being noticed by an Avista employee. Many street lights are out for long periods of time which can put us at risk. We also spend a large amount of time driving from issue to issue.	6.29% 2 - S3 event in 10 years	$ -	$ 1,500,000	$ 1,800,000	16
Alternative 1:	Street Light Maintenance Program. This program is a 5 year planned replacement of bulbs and 10 year planned replacement of photocells. This alternative has the starterboards running to failure.	7.92% 1.5 - S3 event in 10 years	$ 475,000	$ (250,000)	$ (750,000)	8
Alternative 2:	Street Light Maintenance Program. This program is a 5 year planned replacement of bulbs and starterboards and a 10 year planned replacement of photocells.	7.28% 1 - S3 event in 10 years	$ 890,000	$ (250,000)	$ (1,175,000)	12
Alternative 3:	Street Light Maintenance Program. This program is a 5 year planned replacement of bulbs and a 10 year planned replacement of photocells and starterboards.	7.82% 1 - S3 event in 10 years	$ 895,000	$ (250,000)	$ (1,165,000)	12

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	$ -	$ -	$ -	$ -
2013	$ -	$ -	$ -	$ -
2014	$ 475,000	$ (250,000)	$ -	$ -
2015	$ 484,500	$ (500,000)	$ -	$ 1,500,000
2016	$ 494,190	$ (750,000)	$ -	$ 1,500,000
2017	$ 504,074	$ (1,000,000)	$ -	$ 1,500,000
2018	$ -	$ -	$ -	$ 1,500,000

Associated Ers (list all applicable):			
New ER			

Exhibit No.___ (DCG-20)
Dockets UE-150204/UG-150205
Page 300 of 303

Exhibit No.__(KKS-5)
Attachment No.__ETD-35.1

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AVISTA

2019	$ -	$ -	$ -	$ 1,500,000
Total	$ 1,957,764	$ (2,500,000)	$ -	$ 7,500,000

ER	2013	2014	2015	2016	2017	Total
New ER	$ -	$ 475,000	$ 484,500	$ 494,190	$ 504,074	$ 1,957,764
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
0	$ -	$ -	$ -	$ -	$ -	$ -
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0	$ -	$ -	$ -	$ -	$ -	$ -
Total	$ -	$ 475,000	$ 484,500	$ 494,190	$ 504,074	$ 1,957,764

Mandate Excerpt (if applicable):

Additional Justifications:

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability: ☐ Low Probability ☐ Medium Probability ☑ High Probablity
Contract Labor: ☐ YES ☑ NO

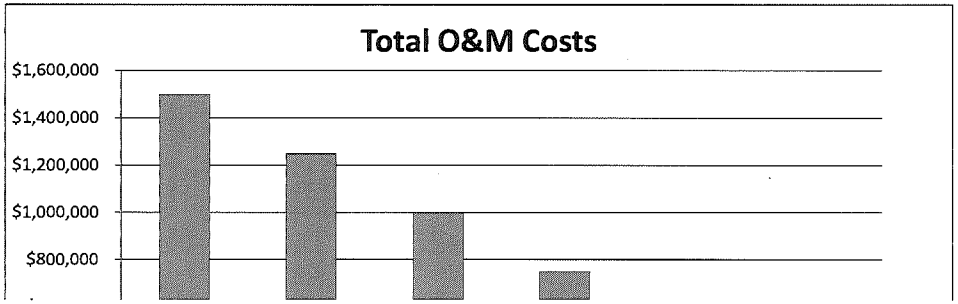
Enterprise Tech: ☐ YES - attach form ☑ NO or Not Required
Facilities: ☐ YES - attach form ☑ NO or Not Required
Capital Tools: ☐ YES - attach form ☑ NO or Not Required
Fleet: ☐ YES - attach form ☑ NO or Not Required

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 Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Monitoring the OM spending on street lights
	Monitor the number of lights maintained per year



Prepared _____

Reviewed _____
Director/Manager

Other Party Review Margi Stevens

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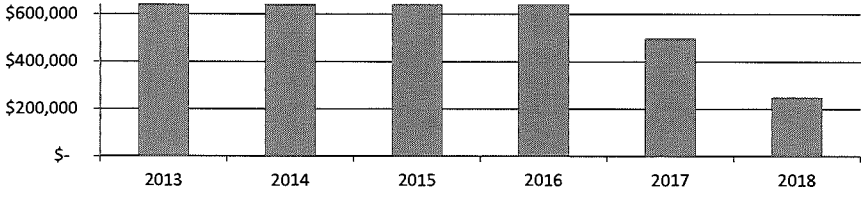

(if necessary) Director/Manager

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	Review Cycles
	2012-2016

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Date	Template