

# EXHIBIT LIST

Dockets UE-120436 and UG-120437

and

Dockets UE-110876 and UG-110877 (Phase Two)

(Consolidated)

HEARING DATES: November 29-30, 2012

<b>CROSS-EXAMINATION EXHIBITS</b>				
<b>NONE</b>				
<b>WITNESS: Kelly O. Norwood, Vice President of State and Federal Regulation for Avista</b>				
KON-1T	Kelly O. Norwood			Prefiled Direct Testimony of Kelly O. Norwood (25 pp.) (04/02/12) (revised May 29, 2012)
KON-2	Kelly O. Norwood			Standard & Poor's, Utility Regulatory Assessments Report (4 pp.) (04/02/12)
KON-3	Kelly O. Norwood			Regulatory Research Associates, Regulatory Focus Report (7 pp.) (04/02/12)
KON-4	Kelly O. Norwood			Actual and authorized rate base graphs by state (3 pp.) (04/02/12)
KON-5	Kelly O. Norwood			NARUC, Rate Case and Audit Manual (52 pp.) (04/02/12)
KON-6T	Kelly O. Norwood			Prefiled Cross-Answering Testimony of Kelly O. Norwood (10 pp.) (09/19/12)
KON-7T	Kelly O. Norwood			Prefiled Rebuttal Testimony of Kelly O. Norwood (37 pp.) (11/19/12)
KON-8	Kelly O. Norwood			Summary of Company's Voluntary Severance Plan (8 pp.) (11/19/12)
<b>CROSS-EXAMINATION EXHIBITS</b>				
KON-9 CX	Public Counsel			AVISTA Response to Public Counsel Data Request No. 019 (Including Attachment A) (15 pp.) (11/26/12)
KON-10C CX	Public Counsel			***CONFIDENTIAL*** AVISTA Response to WUTC Staff Data Request No. 111 (Including CONFIDENTIAL Attachment A) (10 pp.) (11/26/12)

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	04/24/2011
CASE NO:	UE-120436 & UG-120437	WITNESS:	Karen Feltes
REQUESTER:	Public Counsel	RESPONDER:	Annette Brandon
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	PC - 019	TELEPHONE:	(509) 495-4324
		EMAIL:	Annette.brandon@avistacorp.com

**REQUEST:**

Please refer to the direct testimony of Karen S. Feltes, page. 31. Respond to the following, providing all source data and supporting evidence within Avista's possession.

- (a) Please provide all source data used to justify the allocation of executive base salary expenses between utility and non-utility operations. This should include all documentary evidence in Avista's possession to support the 87/13 allocation, including but not limited to employee reports, communications, activity logs, etc.
- (b) Please provide all source data used to justify the allocation of executive incentive and all other forms of compensation between utility and non-utility operations. This should include all documentary evidence in Avista's possession to support its current allocation, including but not limited to employee reports, communications, activity logs, etc.
- (c) Please provide the justification as well as all supporting documentation for the move from the 2011 average allocation for executive base salaries of 91% utility and 9% non-utility to 87% utility and 13% non-utility included in this filing.

**RESPONSE:**

- a. Executives classify their time between utility and non-utility operations based on a percentage split that is estimated each year as upcoming budgets are finalized. Individual time spent on non-utility activities is estimated by each executive based on their actual historical experience and plans for the future time period, and the percentage split is updated in timekeeping and stays constant throughout the year unless there is a significant change or event requiring the allocation to change (i.e. allocations were revised for the long-term leadership succession planning in 2011). See PC\_DR\_019 Attachment A for copies of emails regarding the allocation of time. Also, see Andrews electronic work papers previously provided (pro forma labor) for individual officer percentage splits incorporated in the current case.
- b. The Company's 2011 Executive Officer Incentive Plan is provided in Feltes Confidential Exhibit KSF-2C. That document describes that sixty percent (60%) of the target award is based on the Company meeting Corp. and Utility Basic Earnings-Per-Share (EPS) targets and the other forty percent (40%) is based on the Company meeting Utility O&M Cost Per Customer targets, customer satisfaction, reliability index and performance excellence. The portion (60%) awarded based on Corp. and Utility Basic EPS targets are recorded to non-utility. The portion (40%) awarded based on Utility O&M Cost-Per-Customer, customer satisfaction, reliability index and performance excellence are recorded to the utility and represent goals or targets that provide direct benefits to customers.

- c. As noted in part a., executives classify their time between utility and non-utility based on a percentage split that is estimated each year as upcoming budgets are finalized. The change from 91% utility and 9% non-utility to 87% utility and 13% non-utility is a result of new time estimates. This change is primarily driven by the VP Chief Strategic Officer's time change from 80% utility and 20% non-utility to 20% utility and 80% non-utility. Please see Feltes Confidential Exhibit KSF-6C for individual breakouts.

**Brandon, Annette**

**From:** Morris, Scott  
**Sent:** Thursday, January 26, 2012 9:08 AM  
**To:** Brandon, Annette  
**Subject:** RE: 2011 Labor Allocations

Annette I am probably an 80 - 20 split

**From:** Brandon, Annette  
**Sent:** Thursday, January 26, 2012 8:55 AM  
**To:** Feltes, Karen; Meyer, David; Thies, Mark; Durkin, Marian; Burmeister-Smith, Christy; Kensok, Jim; Kopczynski, Don; Morris, Scott; Norwood, Kelly; Vermillion, Dennis; Thackston, Jason; Woodworth, Roger; Storro, Dick  
**Cc:** Carrozzo, Steve; Andrews, Liz  
**Subject:** 2011 Labor Allocations

Hello everyone,

Please review your 2011 Utility/Non-Utility labor allocations in the chart below and let me know if you have changes for 2012. Please provide your response by February 8th.

2011 Pro Forma Utility/Non-Utility Labor Allocation %					
Name	920	557	813	Capital	417-Non Utility
Karen Feltes	90%				10%
David Meyer	100%				0%
Mark Thies	90%				10%
Marian Durkin	75%				25%
Christy Burmeister-Smith	90%				10%
Jim Kensok	99%				1%
Don Kopczynski	59%			40%	1%
Scott Morris	90%				10%
Kelly Norwood	99%				1%
Dennis Vermillion	95%				5%
Jason Thackston	90%				10%
Roger Woodworth	20%				80%
Richard Storro	0%	69%	30%		1%

Thanks for your help!

Annette

Annette Brandon | AVISTA UTILITIES  
 Regulatory Analyst | Rates and Tariffs  
 1411 E. Mission | Spokane, WA 99202  
 Direct 509.495.4324 |  
[annette.brandon@avistacorp.com](mailto:annette.brandon@avistacorp.com)

**Brandon, Annette**

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**From:** Thies, Mark  
**Sent:** Wednesday, February 08, 2012 2:00 PM  
**To:** Brandon, Annette  
**Subject:** Re: labor allocation

Yes

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**From:** Brandon, Annette  
**Sent:** Wednesday, February 08, 2012 12:43 PM  
**To:** Thies, Mark  
**Subject:** labor allocation

Mark, should I go ahead and use 90/10 for your labor split? ✓

**Brandon, Annette**

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From: Vermillion, Dennis  
Sent: Wednesday, February 08, 2012 12:46 PM  
To: Brandon, Annette  
Subject: Re: labor allocation

Yes, but it is probably more like 99/1.

Sent from my iPhone

On Feb 8, 2012, at 12:44 PM, "Brandon, Annette" <[Annette.Brandon@avistacorp.com](mailto:Annette.Brandon@avistacorp.com)> wrote:

Dennis, is it okay for me to use 95/5 as your labor allocation?

**Brandon, Annette**

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From: Durkin, Marian  
Sent: Wednesday, February 08, 2012 2:00 PM  
To: Brandon, Annette  
Subject: Re: labor allocation

Sorry I didn't get back to you. 80/20 is the correct allocation.

Sent from my iPhone

On Feb 8, 2012, at 1:44 PM, "Brandon, Annette" <[Annette.Brandon@avistacorp.com](mailto:Annette.Brandon@avistacorp.com)> wrote:

Marian, is your labor allocation correct? At 75/25?

Thank you!

**Brandon, Annette**

**From:** Feltes, Karen  
**Sent:** Thursday, January 26, 2012 11:21 AM  
**To:** Brandon, Annette  
**Subject:** RE: 2011 Labor Allocations

Mine will stay the same. ✓

**From:** Brandon, Annette  
**Sent:** Thursday, January 26, 2012 8:55 AM  
**To:** Feltes, Karen; Meyer, David; Thies, Mark; Durkin, Marian; Burmeister-Smith, Christy; Kensok, Jim; Kopczynski, Don; Morris, Scott; Norwood, Kelly; Vermillion, Dennis; Thackston, Jason; Woodworth, Roger; Storro, Dick  
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Scott Morris	90%				10%
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91/9

Thanks for your help!

Annette

Annette Brandon | AVISTA UTILITIES  
 Regulatory Analyst | Rates and Tariffs  
 1411 E. Mission | Spokane, WA 99202  
 Direct 509.495.4324 |  
 annette.brandon@avistacorp.com

**Brandon, Annette**

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**From:** Burmeister-Smith, Christy  
**Sent:** Thursday, January 26, 2012 2:30 PM  
**To:** Brandon, Annette  
**Subject:** RE: 2011 Labor Allocations

No changes for me. Please watch for Jason's and Don's. They both should change based on their rotation. Thanks,  
 Christy

**Christy Burmeister-Smith**

**AVISTA Corp.** -- NYSE: AVA  
 Vice President and Controller  
 1411 East Mission Avenue  
 PO Box 3727, MSC-29  
 Spokane, WA 99220-3727  
 Phone: 509-495-4256;  
 Email: [cburmeister-smith@avistacorp.com](mailto:cburmeister-smith@avistacorp.com)  
[www.avistacorp.com](http://www.avistacorp.com)

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**From:** Brandon, Annette  
**Sent:** Thursday, January 26, 2012 8:55 AM  
**To:** Feltes, Karen; Meyer, David; Thies, Mark; Durkin, Marian; Burmeister-Smith, Christy; Kensok, Jim; Kopczynski, Don; Morris, Scott; Norwood, Kelly; Vermillion, Dennis; Thackston, Jason; Woodworth, Roger; Storro, Dick  
**Cc:** Carrozzo, Steve; Andrews, Liz  
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**Brandon, Annette**

**From:** Kensok, Jim  
**Sent:** Monday, January 30, 2012 2:52 PM  
**To:** Brandon, Annette  
**Subject:** RE: 2011 Labor Allocations

No changes for me. Thank you for checking.

Thank You,  
 Jim Kensok  
 Vice President and Chief Information Officer  
 Avista Corporation

This message and any attached files or documents may contain information that is confidential and considered proprietary to Avista Corporation. Any unauthorized use, transfer, or disclosure of the information contained herein is strictly forbidden. If you believe that this message has been sent to you in error, please reply to the sender that you have received the message in error and delete the message.

**From:** Brandon, Annette  
**Sent:** Thursday, January 26, 2012 8:55 AM  
**To:** Feltes, Karen; Meyer, David; Thies, Mark; Durkin, Marian; Burmeister-Smith, Christy; Kensok, Jim; Kopczyński, Don; Morris, Scott; Norwood, Kelly; Vermillion, Dennis; Thackston, Jason; Woodworth, Roger; Storro, Dick  
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Roger Woodworth	20%				80%
Richard Storro	0%	69%	30%		1%

**Brandon, Annette**

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**From:** Kopczynski, Don  
**Sent:** Thursday, February 09, 2012 11:55 AM  
**To:** Brandon, Annette  
**Subject:** RE: labor allocations

I'd suggest 99% utility and 1% non utility.

My team also handles advertising, marketing, philanthropy which are below the line. Should I charge some of my time to those activities?

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**From:** Brandon, Annette  
**Sent:** Thursday, February 09, 2012 11:18 AM  
**To:** Kopczynski, Don  
**Subject:** labor allocations

Don, last year in your current role, Roger allocated his time 95% utility, 5% non-utility. Does this seem reasonable to you?

Thank you!

Annette

**Brandon, Annette**

**From:** Norwood, Kelly  
**Sent:** Thursday, January 26, 2012 9:04 AM  
**To:** Brandon, Annette  
**Subject:** RE: 2011 Labor Allocations

Mine looks good -- no change.

Thanks,  
 Kelly

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**From:** Brandon, Annette  
**Sent:** Thursday, January 26, 2012 8:55 AM  
**To:** Feltes, Karen; Meyer, David; Thies, Mark; Durkin, Marian; Burmeister-Smith, Christy; Kensok, Jim; Kopczynski, Don; Morris, Scott; Norwood, Kelly; Vermillion, Dennis; Thackston, Jason; Woodworth, Roger; Storro, Dick  
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Thanks for your help!

Annette

Annette Brandon | AVISTA UTILITIES  
 Regulatory Analyst | Rates and Tariffs

**Brandon, Annette**

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**From:** Thackston, Jason  
**Sent:** Wednesday, March 07, 2012 12:48 PM  
**To:** Brandon, Annette  
**Subject:** RE: labor

That's correct, Annette. Thanks for confirming.

-Jason

Jason Thackston | Vice President, Energy Delivery | Avista Corp.  
509-495-8550 | 509-290-4590 (Mobile) | 509-777-5892 (Fax)  
[jason.thackston@avistacorp.com](mailto:jason.thackston@avistacorp.com)

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**From:** Brandon, Annette  
**Sent:** Wednesday, March 07, 2012 7:47 AM  
**To:** Thackston, Jason  
**Subject:** labor

Jason, I wanted to follow up with you and let you know the split for your labor for 2012 was 59% utility, 40% capital and 1% non-utility. This confirms what we discussed up on the 5<sup>th</sup> floor a month or so ago.

**Brandon, Annette**

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From: Coulson, Rosemary  
Sent: Wednesday, January 25, 2012 2:54 PM  
To: Brandon, Annette  
Cc: Lee, Lisa  
Subject: FW: Roger's Time

Here is how Roger's time is supposed to be broken out at this point in time. If you have any questions about how the actuals are going, Lisa is the one to contact.

Thanks!

Rosemary Coulson  
495-2036

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From: Long, Annette  
Sent: Friday, January 20, 2012 1:01 PM  
To: Coulson, Rosemary  
Subject: Roger's Time

Hi Rosemary, Per our conversation today. Below is how Roger's time is broken out.

8 hours 09903691 920000 Corporate Strategy Planning (This is Corporate)  
8 hours 77703430 417120 Subsidiary Support (This is below the line and is his work on Steam Plant Square)  
24 hours 77705077 417120 Strategic Analysis (This is below the line and is his work at the Chief Strategy Officer)

This may be more info than you needed but thought it might come in handy per your comments. Let me know if you have more questions.

*Annette Long*  
[annette.long@avistacorp.com](mailto:annette.long@avistacorp.com)  
Ph. (509)495-8729  
Ex. (509) 777-5529

**Brandon, Annette**

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**From:** Storro, Dick  
**Sent:** Tuesday, April 24, 2012 11:23 AM  
**To:** Brandon, Annette  
**Subject:** RE: labor allocation

I would think I would be 99% utility and 1% non-utility

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**From:** Brandon, Annette  
**Sent:** Tuesday, April 24, 2012 7:46 AM  
**To:** Storro, Dick  
**Subject:** labor allocation

Dick, based on the conversation we had back in February, I split your labor for the WA GRC in the same way you have been coding it the past few years: 99% non-utility (split between 813 and 557), 1% utility. Would you mind replying to this e-mail as confirmation we touched base on this. Thanks so much!

**Annette Brandon | AVISTA UTILITIES**  
Regulatory Analyst | Rates and Tariffs  
1411 E. Mission | Spokane, WA 99202  
Direct 509.495.4324 | Fax 509.777.5054  
[annette.brandon@avistacorp.com](mailto:annette.brandon@avistacorp.com)

**Brandon, Annette**

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**From:** Meyer, David  
**Sent:** Tuesday, April 24, 2012 12:19 PM  
**To:** Brandon, Annette  
**Subject:** RE: labor allocations

Yes, that is the correct split. Thank you.

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**From:** Brandon, Annette  
**Sent:** Tuesday, April 24, 2012 12:15 PM  
**To:** Meyer, David  
**Subject:** labor allocations

David, I don't have the copy of the email where you confirmed your 100% utility split. Would you mind resending it or confirming on this e-mail? Thank you!

**Annette Brandon | AVISTA UTILITIES**  
Regulatory Analyst | Rates and Tariffs  
411 E. Mission | Spokane, WA 99202  
Direct 509.495.4324 | Fax 509.777.5054  
[annette.brandon@avistacorp.com](mailto:annette.brandon@avistacorp.com)

AVISTA CORP.  
RESPONSE TO REQUEST FOR INFORMATION

*Redacted*

JURISDICTION:	WASHINGTON	DATE PREPARED:	05/09/2012
CASE NO:	UE-120436 & UG-120437	WITNESS:	Mark Thies
REQUESTER:	WUTC Staff - Elgin	RESPONDER:	Damien Lysiak
TYPE:	Data Request	DEPT:	Treasury
REQUEST NO.:	Staff - 111	TELEPHONE:	(509) 495-2097
		EMAIL:	damien.lysiak@avistacorp.com

**REQUEST:**

Referring to the pre-filed testimony of Mark T. Thies, Exhibit No. MTT-1T, page 8, lines 1-4, please provide each document prepared by the Company in support of the Board of Directors' determination of an appropriate dividend policy and the relationship of the Company's dividend policy with respect to providing investors a competitive risk/reward opportunity for its current and prospective owners.

**RESPONSE:**

Please see Avista's **CONFIDENTIAL** response to data request no. Staff - 111C. Please note that Avista's response to Staff - 111C is **Confidential per Protective Order in UTC Dockets UE-120436 and UG-120437**.

The Company does not have a formal written dividend policy. Management reviews trends in the utility industry with respect to dividend policy and makes recommendations to the Board of Directors. The Board of Directors considers the level of dividends on the Company's common stock on a regular basis. A copy of Management's recommendation to the Board of Directors in February 2012 is attached as Staff\_DR\_111C Confidential Attachment A.

REDACTED VERSION

AVISTA'S RESPONSE TO WUTC STAFF DATA REQUEST NO. 111  
CONFIDENTIAL ATTACHMENT A

IS CONFIDENTIAL IN ITS ENTIRELY

PAGES 2 THROUGH 10

**REDACTED VERSION**