

# **Progress Report of 2013 Capital Expenditures and Capital Expenditure Plan for 2014**

**September 2013**

**Provided Pursuant to Order 09/14  
Dockets UE-120436 & UG-120437/UE110876 & UG-110877 (Consolidated)**



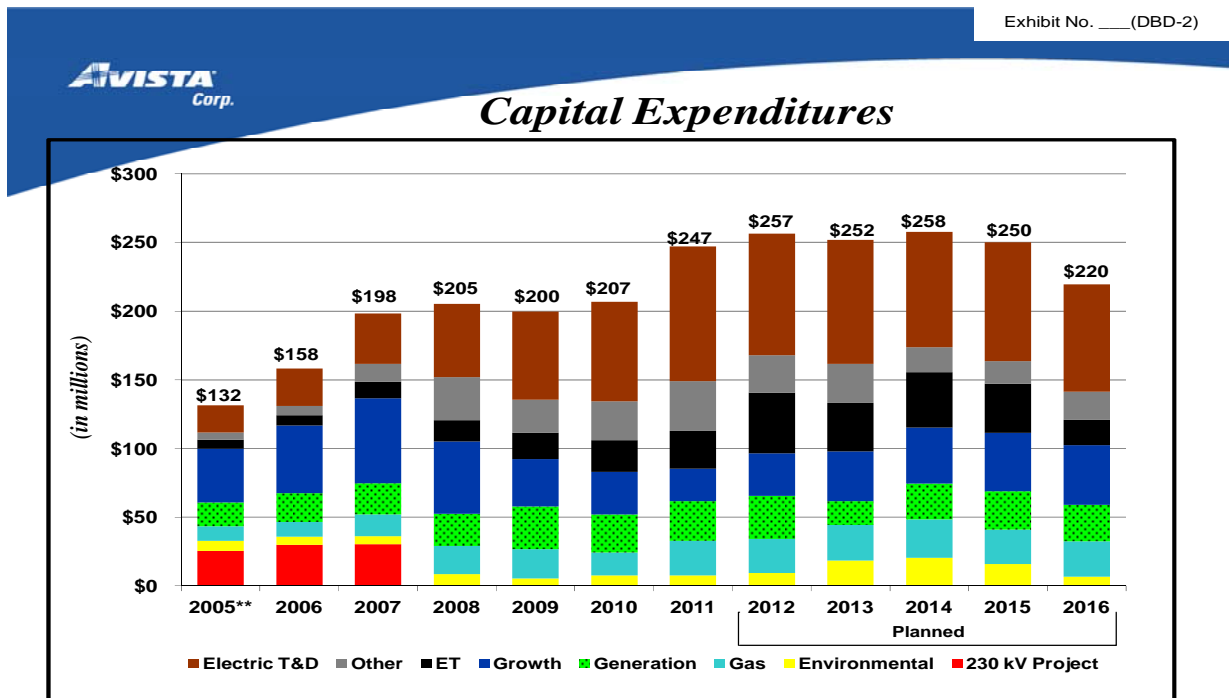
## Background

This report is being provided pursuant to the Washington Utilities and Transportation Commission Order No. 9/14 in Dockets UE-120436 & UG-120437 and UE-110876 & UG-110877 (Consolidated). Paragraph 73 of Order No. 9 states:

The trending data supplied by Avista, wherein the Company pledged to continue its multi-year capital expenditure program for both 2013 and 2014, forms a cornerstone of our approval of the two-step rate increases. As Public Counsel rightly points out, we do not have a detailed capital expenditure plan for 2014 before us. Given that a detailed capital expenditure plan for 2014 may not be available until well into the third quarter of 2013, we require Avista to file such an updated capital expenditure plan on or before September 30, 2013. This filing should also describe the Company's actual expenditures in 2013 compared to the projected amounts. In addition, we require that the Company provide updates on changes in meeting the calendar year 2014 capital expenditure plan and the Company's progress in making such improvements on June 1, September 1, and December 1, 2014, respectively, for the previous quarters. Should Avista's representations in this proceeding regarding the necessity of such expenditures prove unsupported as compared to the Company's actual expenditures, the Commission may exercise our statutory authority and reopen this proceeding.

Table 1 below reflects the capital expenditure program that was approved by Avista's Board of Directors in 2011 and included in Exhibit No. (DBD-2) in Dockets UE-120436 & UG-120437:

**Table 1**  
**Avista's Planned Capital Expenditures**  
**Exhibit No. (DBD-2), UE-120436 & UG-120437**



\*\* 2005 excludes \$57.5 for the purchase of the second half of Coyote Springs 2 and \$17.8 for the office building purchase.

## 1. Progress report on 2013 Capital Expenditures

In the fall of 2011, Avista approved a total company budget of \$252 million, as reflected in Table 1 above. In the fall of 2012, Avista revised the capital expenditure budget to \$266 million as reflected in the annual budget filing made with the Washington Utilities and Transportation Commission in February 2013, in accordance to WAC 480-140. During 2013, additional approvals of \$8.9 million were made to increase the Capital Expenditure Budget to approximately \$274.1 million.

The following table shows the 2013 Actual Capital Expenditures through August 31, 2013 compared to Budget by functional category:

**Table 2**  
**Avista (System) 2013 Capital Expenditures YTD Budget to Actual**  
**In Thousands**

Capital Budget Results:	YTD Actual	YTD Budget	YTD Variance F/(U)	Annual Budget	Planned System CapX Per Docket UE- 120436 & UG-120437
Environmental	3,614	8,651	5,037	13,712	18,500
Gas	20,040	14,769	(5,271)	23,609	25,800
Generation	18,329	21,926	3,597	36,139	17,400
Growth	25,549	19,179	(6,370)	28,625	36,200
ET	34,694	32,170	(2,524)	53,167	35,300
Other <sup>1</sup>	18,837	16,684	(2,153)	25,109	28,400
Transmission and Distribution	54,838	57,286	2,448	84,834	90,400
<b>Total</b>	<b>175,901</b>	<b>170,665</b>	<b>(5,236)</b>	<b>265,195</b>	<b>252,000</b>
Compass 2012 Carryover				2,617	
Additional Capital Approved June 2013				3,200	
Additional Capital Approved September 2013				3,100	
<b>Adjusted Total</b>	<b>175,901</b>	<b>170,665</b>	<b>(5,236)</b>	<b>274,112</b>	<b>252,000</b>

<sup>1</sup> Other category includes Facility, Fleet and other small Capital Expenditures.

Through August 31, 2013 Avista has spent approximately \$176 million of the proposed \$274 million. The Year-to-date budget amount is approximately \$171 million, therefore the Company is approximately \$5 million overspent on a Year-to-date basis.

Table 2 above demonstrates that Avista has plans to spend more than the capital expenditures proposed in general rate case UE-120436 & UG-120437.

## 2. 2014 Capital Expenditure Plan

The Company is undergoing the 2014 Capital budgeting process at this time. The table below reflects the most recently approved capital budget by the Board of Directors in the fall of 2012, by functional category.

**Table 3**  
**Avista (System) 2014 Capital Budget**  
**In Thousands**

<b>Capital Budget :</b>	<b>Annual Budget and Planned CapX per Docket No. UE- 120436 &amp; UG-120437</b>
Environmental	18,434
Gas	27,064
Generation	49,097
Growth	23,583
ET	43,317
Other <sup>1</sup>	20,434
Transmission and Distribution	76,071
<b>Total</b>	<b>258,000</b>

<sup>1</sup> Other category includes Facility, Fleet and other small Capital Expenditures.

The Company will update this investment plan, as well as the progress for 2014, on March 1, 2014 in conjunction with the 2013 progress report. The Company will also update this information in accordance with Order 9/14 on June 1, September 1 and December 1, 2014, respectively, for the preceding quarters.