

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	01/04/2018
CASE NO:	UE-170485 & UG-170486	WITNESS:	Clint Kalich
REQUESTER:	David Gomez	RESPONDER:	James Gall/Clint Kalich
TYPE:	Data Request	DEPT:	Energy Resources
REQUEST NO.:	Staff - 311	TELEPHONE:	(509) 495-2189
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**REQUEST:**

Referring to Mr. Kalich's rebuttal testimony, Exhibit CGK-4T, at 13:10-16 and the Excel workbook included in Mr. Kalich's workpapers titled "Load Table\_2017-19"<sup>1</sup>:

1. In the workpaper referenced above, there are three tabs titled "Test Period Load-2017," "Test Period Load-2018," and "Test Period Load 2019." According to the table<sup>2</sup> in each of these tabs, the weather-adjusted historical test year load based on 2016 actuals is 1,045.2 MW.<sup>3</sup> But the "Forecasted" loads in rows 4-11 in the tabs titled "2018 Proforma Load" and "2019 Proforma Load" is 1,087 MW for 2018, which is a 4 percent increase in load from test year levels, and is 1,093 MW for 2019, which is a 5 percent increase in load from test year levels.
  - a. Please explain how Ms. Knox's weather adjustment (contained in Mr. Kalich's workpaper) resulted in the forecasted load increases from test year as described above.
  - b. Please confirm that Ms. Knox's weather adjustment is used by Mr. Kalich to only shape Avista's forecasted load (monthly and hourly) contained in the "2018 Proforma Load" and "2019 Proforma Load" tabs.
  - c. Please explain why the 2018 and 2019 Proforma Loads in Mr. Kalich's workpaper are virtually identical to Avista's Energy forecasts for those same years in Table 3.6: Energy and Peak Forecasts on page 3-23 of its 2017 Integrated Resource Plan (IRP).
2. In Docket UE-090134, Mr. Kalich states the following in his testimony:

**"Q. What is the Company's assumption for rate period loads?"**

- A. Rate period loads (January 2010 through December 2010) used in this case are taken from the Company's load forecast completed in July 2008. As this load is generated using "normal weather," it eliminates the need for a weather-normalization adjustment. The Company's latest energy and capacity loads and resources tabulations (L&Rs) are attached in Exhibit No.\_\_(CGK-2). As the L&Rs show, system loads are expected to equal 1,148 aMW."<sup>4</sup>

<sup>1</sup> The Load Table\_2017-19 workpaper is used by Avista to determine native loads for input into the AURORA Model.

<sup>2</sup> Rows 4-11 in each tab of Mr. Kalich's workpaper "Load Table\_2017-19."

<sup>3</sup> The Electric Weather Normalization Adjustment is included as a tab titled "PS WC" in Mr. Kalich's Load Table workpaper. This adjustment is derived from the workpaper titled "12.2016 WAID Weather Adjustment Calc.xlsx" of Avista witness Ms. Tara Knox.

<sup>4</sup> Docket UE-090134, Kalich, Exh. CGK-1T at 7:7-12.

Exh. CGK-2, cited in Mr. Kalich's testimony above, is from Avista's 2009 Electric IRP in Docket UE-081613.<sup>5</sup>

In Docket UE-090134, Mr. Donald Schoenbeck (witness for Industrial Customers of Northwest Utilities) and Mr. Alan Buckley (witness for commission staff) filed joint testimony in opposition of Avista's pro forma system loads, stating that the "Company's recent history of weather-normalized electric load growth does not support the 5.1 percent load growth rate forecast that Avista proposes to determine pro forma power supply expense levels in this proceeding."<sup>6</sup>

Subsequently in Docket UE-090134, Avista filed Joint Testimony in support of a partial settlement stipulation that reduced the level of pro forma rate year load increase from 5.1 to 2.1 percent compared to test year levels.<sup>7</sup>

- a. Since the partial settlement of the rate case in UE-090134, has Avista consulted with Staff or other intervenors to modify the methodology for determining pro forma rate year loads agreed upon in the UE-090134 Partial Settlement Stipulation to reincorporate the load forecasts from Avista's IRP? Please be specific and provide support.
- b. Please indicate when and explain why Avista modified the methodology for determining pro forma rate year loads agreed upon in the UE-090134 Partial Settlement Stipulation to reincorporate the load forecasts from Avista's IRP.

## RESPONSE:

In this case, and as explained in testimony, the Company is using weather-normalized historical test year loads, not forecasted loads. As explained below in response 2a, the Company has used historical test year loads since the 2010 general rate filing. The tabs referenced above (titled "Test Period Load-2017," "Test Period Load-2018," and "Test Period Load 2019") were inadvertently included within Mr. Kalich's excel workbook. These tabs were not, however, used within the Company's requested power cost calculation in this proceeding.

- 1a. Ms. Knox's weather adjustment of 14.91 aMW is not used in the forecasted load calculation in this workbook. Ms. Knox's weather adjustment is only used to adjust historical loads (test period) not forecasted loads. The historical loads (test period) are used to estimate power costs for the 2018-2019 rate period.
- 1b. Ms. Knox's weather adjustment is used to re-shape (test period) historical loads. The re-shaped historical (test period) load is used for the power cost calculation. Forecasted loads are weather adjusted as provided by the Company's load forecast and not used in the power cost calculation for this rate proceeding.
- 1c. The "proforma loads" in the workbook are the same load levels used in the 2017 IRP. However, these proforma loads are forecasted loads that were developed for internal analysis only and inadvertently included in Mr. Kalich's excel workpapers. This information, as noted above, was not used in this proceeding to calculate power costs.

<sup>5</sup> Avista Utilities' 2009 Electric Integrated Resource Plan, Docket UE-081613, Table 2.8: Annual Energy Position (aMW) – Plan for Contingency Net Position, at 2-28 (Aug. 31, 2009).

<sup>6</sup> Docket UE-090134, Joint Testimony, Exh. \_\_ T(JT-1T) at 4:10-14 (Aug. 17, 2009).

<sup>7</sup> Docket UE-090134, Joint Testimony in Support of Partial Settlement Stipulation, Exh. \_\_ (T) at 10:20-23 (Sep. 17, 2009).

- 2a. Since 2011 the Company has filed, and the Commission has approved power costs (ERM base) based on historical loads. This was as a result of the agreement between all parties in Avista's 2010 general rate case (Docket No. UE-100467), in which the Company agreed it would not use forecasted loads from the Company's Integrated Resource Plan to determine power costs.. See Order 07 in Docket UE-100467, Appendix A, page 3, Table 1 Summary of Adjustments to Electric Revenue Requirement, adjustments "b) Power Supply-Related Adjustments, ix Includes Test Year Loads." and "c), Production Property Adjustment: -Remove the Pro Forma Production Property Adjustment due to use of historical loads used for power supply." Further on page 6, the removal of the production property adjustment was described as relating to the change from forecasted 2011 pro forma load to weather-adjusted 2009 test year load in the power supply adjustment. Since that case, including this current proceeding, the Company has continued to use historical loads to determine base power supply costs.

Base power supply costs in the Company's GRCs have been filed based on the use of weather-adjusted historical loads since 2011.<sup>8</sup> Given that there has been no change in approach from the standard practice of using weather-adjusted loads, there had been little need for the Company to consult with Staff or other intervening parties regarding pro forma loads for general rate case purposes.

- 2b. See 2a.

<sup>8</sup> With the exception of the use of pro forma loads calculated in the context of an attrition study in which forecasted revenues, forecasted loads and forecasted billing determinants were reviewed. In 2014, as proposed by Staff, in the agreed-upon Settlement, power supply costs were based on forecasted loads, matching forecasted billing determinants to set rates for 2015. The forecasted loads agreed to were unadjusted from that provided by the Company.