

**Avista Corp.**  
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September 24, 2015

*Sent via Overnight Mail*

Mr. Steven King  
Executive Director & Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
P. O. Box 47250  
Olympia, Washington 98504-7250

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REGULATORY MANAGEMENT  
2015 SEP 25 AM 9:30  
STATE OF WASH.  
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COMMISSION

Re: Docket No. Dockets UE-150204 and UG-150205  
Bench Requests No. 3

Dear Mr. King:

Please find enclosed for filing with the Commission an original and 6 copies Avista's responses to Bench Requests No. 3 issued by Administrative Law Judge Marguerite Friedlander.

Please direct any questions related to this filing to Liz Andrews at (509) 495-8601.

Sincerely,

A handwritten signature in black ink, appearing to read "David Meyer", with a horizontal line extending to the right.

David Meyer  
VP and Chief Counsel for Regulatory and Governmental Affairs

Enclosures

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have served the Avista Corporation's response to Bench Request No. 3 in Avista's Electric and Gas General Rate Case Filing (UE-150204 and UG-150205), by mailing a copy thereof, postage prepaid to the following:

|  |   |
|--|---|
| Steven King<br>Executive Director & Secretary<br>Washington Utilities and Trans. Comm.<br>1300 S. Evergreen Park Dr. SW<br>Olympia, WA 98504-7250<br>sking@utc.wa.gov                            | Simon ffitc<br>Lisa Gafken<br>Office Of The Attorney General<br>Public Counsel Section<br>800 Fifth Avenue, Suite 2000<br>Seattle, WA 98104-3188<br>Simonf@atg.wa.gov<br>Lisa.Gafken@atg.wa.gov |
| Mark Vasconi<br>Washington Utilities and Trans. Comm.<br>1300 S. Evergreen Park Dr. SW<br>Olympia, WA 98504-7250<br>mvasconi@utc.wa.gov  | Ronald L. Roseman<br>Attorney At Law<br>2011 14 <sup>th</sup> Avenue East<br>Seattle, WA 98112<br>ronaldroseman@comcast.net   |
| Chad Stokes<br>Tommy Brooks<br>Cable Huston Benedict<br>Haagensen & Lloyd LLP<br>1001 SW Fifth Avenue, Ste 2000<br>Portland, OR 97204-1136<br>cstokes@cablehuston.com<br>tbrooks@cablehuston.com | Brett Shearer<br>Patrick Oshie<br>Washington Utilities & Transportation<br>Commission<br>P.O. Box 40128<br>Olympia, WA 98504-0128<br>bshearer@utc.wa.gov<br>poshie@utc.wa.gov                   |
| Shawn Collins<br>The Energy Project<br>1111 Cornwall Ave<br>Bellingham, WA 98225<br>Shawn_Collins@oppco.org  | Melinda Davison<br>Joshua Weber<br>Davison Van Cleve, P.C.<br>333 S.W. Taylor, Suite 400<br>Portland, OR 97204<br>mjd@dvclaw.com<br>jdw@dvclaw.com  |
| Edward A. Finklea<br>Executive Director<br>Northwest Industrial Gas Users<br>326 Fifth Street<br>Lake Oswego, OR 97034<br>efinklea@nwigu.org   | Tom Schooley<br>Washington Utilities and Trans. Comm.<br>1300 S. Evergreen Park Dr. SW<br>Olympia, WA 98504-7250<br>tschooley@utc.wa.gov  |

I declare under penalty of perjury that the foregoing is true and correct.  
Dated at Spokane, Washington this 24<sup>th</sup> day of September



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Paul Kimball  
Sr. Regulatory Analyst

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

|               |                       |                |                              |
|---------------|-----------------------|----------------|------------------------------|
| JURISDICTION: | WASHINGTON            | DATE PREPARED: | 09/22/2015                   |
| CASE NO:      | UE-150204 & UG-150205 | WITNESS:       | Kelly Norwood                |
| REQUESTER:    | Bench                 | RESPONDER:     | Kelly Norwood                |
| TYPE:         | Bench Request         | DEPT:          | State & Federal Regulation   |
| REQUEST NO.:  | Bench Request No. 3   | TELEPHONE:     | (509) 495-4267               |
|               |                       | EMAIL:         | kelly.norwood@avistacorp.com |

**REQUEST:**

**Bench Request No. 3:** With regard to Kelly O. Norwood's exhibit, KON-1T at 40:20-41:2:

Is Avista requesting Commission preapproval of the prudence of a decision to deploy and install an Advanced Metering Infrastructure (AMI) in this case?

**RESPONSE:**

In these Dockets Avista has presented cost and benefit analyses related to its proposal to move forward with the deployment of Advanced Metering Infrastructure (AMI). These analyses show that the benefits are equal to or greater than the costs associated with deployment of AMI, over the life of the system. Both the costs and benefits are necessarily based on estimates, including those that are more easily estimated, and those that are more difficult to estimate. The Company has endeavored to identify all costs and benefits. In some instances benefits are identified, but no estimated dollar amount has been provided, and with regard to other benefits, as explained in Avista's direct and rebuttal testimony, the Company has been conservative (toward understating the benefits) in its estimate of benefits.

As stated in the prefiled rebuttal testimony of Company witness Mr. Norwood (Exhibit No. \_\_\_ (KON-1T)) at p. 3, ll. 7-11, "Avista is requesting, therefore, Commission approval of the Company's decision, in principle, to move forward with AMI, but with the understanding that Avista would present a showing in its next general rate case on the prudence of any new investment dollars and operating costs associated with AMI." (emphasis in the original)

Accordingly, Avista is not asking for preapproval of the costs associated with implementation of AMI and their recovery in rates – that will be the subject of a prudence review in Avista's next general rate filing. Avista is requesting in this docket, however, an affirmation that the Company should proceed with the implementation of AMI, so long as the costs of implementation are prudently incurred.

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