

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/18/2015
CASE NO.:	UE-150204 & UG-150205	WITNESS:	Kelly Norwood
REQUESTER:	Public Counsel/Energy Project	RESPONDER:	Kelly Norwood
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	PC/EP – 092	TELEPHONE:	(509) 495-4267
		EMAIL:	kelly.norwood@avistacorp.com

REQUEST:

RE: Rebuttal Testimony of Kelly O. Norwood, Exhibit No. KON-6T, p. 39, ll. 23-25.

Mr. Norwood states: "If the threshold for moving forward with a project such as AMI requires a high level of certainty of all costs and benefits in advance of deployment, no project of this nature would move forward."

Please provide all examples of when Avista, or any other utility in Washington, has sought and/or received approval from the Commission for any capital project in advance of deployment.

RESPONSE:

As noted in the rebuttal testimony of Company witness Mr. Norwood (Exhibit No. __KON-1T), the Company's Advanced Metering Infrastructure (AMI) project, together with the recent completion of Avista's customer care and billing system (Project Compass), is the platform for the future to further assist our customers with energy efficiency, installation and management of distributed resources at the customers' premise, real-time data related to outages, interval data to assist customers with information and education regarding actual energy use, and many other opportunities.

In these Dockets Avista has presented cost and benefit analyses related to its proposal to move forward with the deployment of 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.

Avista has provided sufficient evidence that warrants support from the Commission of Avista's decision, in principle, to move forward with deployment of AMI. Avista, however, is not asking at this time 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.