

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/15/2015
CASE NO.:	UE-150204 & UG-150205	WITNESS:	Patrick Ehrbar
REQUESTER:	The Energy Project	RESPONDER:	Pat Ehrbar
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	EP – 10	TELEPHONE:	(509) 495-8620
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REQUEST:

- In rebuttal testimony of Patrick Ehrbar pages 7 and 8 for both gas and electric LIRAP eligible customers:
- (a) Assume there is a 5% increase in base rates in year two of Avista's 5 year funding plan for LIRAP. Provide a chart that demonstrates the amount of increase and the percentage in LIRAP funding as a result of this increase in base rates and the date these funds will become available to the agencies.
 - (b) Assume there is no rate case in year 3. Provide a chart that shows the amount of increase in funding and the percentage for LIRAP and the date these funds will be available to the agencies.

RESPONSE:

- a. For purposes of this example, the 5% base rate increase for residential electric and natural gas would take place on January 1, 2017.

Under the Company's proposed LIRAP funding plan, the total level of LIRAP funding starting on January 1, 2016 would be as follows:

	January 1, 2016 Proposed LIRAP Funding
Electric	\$4,892,183
Natural Gas	<u>\$2,787,331</u>
Total	<u>\$7,679,514</u>

Next, on October 1, 2016, electric and natural gas funding would automatically increase by 7% based on the Company's proposal. The funding would be as follows:

	January 1, 2016 Proposed LIRAP Funding	October 1, 2016 Increase	October 1, 2016 LIRAP Funding	Total Funding October 1, 2016
Electric	\$4,892,183	7%	\$342,453	\$5,234,636
Natural Gas	<u>\$2,787,331</u>	7%	<u>\$195,113</u>	<u>\$2,982,444</u>
Total	<u>\$7,679,514</u>		<u>\$537,566</u>	<u>\$8,217,080</u>

Next, base rates increase by 5% effective January 1, 2017 in this example. Under Avista's proposed LIRAP funding plan, as stated on page 8, lines 11-13 of Exhibit No. PDE-8T, "Any additional LIRAP funding increases necessary to achieve two-times the base rate increase would be become effective with the corresponding base rate increase.". So, effective January 1, 2017, LIRAP funding would increase an additional 3% as shown below:

Two-Times 5% Base Rate Increase (January 1, 2017)	10%
Less: October 1, 2016 7% Increase	<u>7%</u>
Increase in LIRAP Funding January 1, 2017	<u>3%</u>

The net result of the additional LIRAP funding is as follows:

Total Funding October 1, 2016	Additional Jan 1, 2017 Increase	Add'l January 1, 2017 LIRAP Funding	Total January 1, 2017 Proposed LIRAP Funding
\$5,234,636	3%	\$157,039	\$5,391,675
\$2,982,444	3%	<u>\$89,473</u>	<u>\$3,071,917</u>
<u>\$8,217,080</u>		<u>\$246,512</u>	<u>\$8,463,592</u>

The increased level of funding would become available starting on October 1, 2016 for the 7% increase, and January 1, 2017 for the 3% increase.

- b. Continuing with the example from part a. above, the level of funding effective October 1, 2017 would be:

	Total January 1, 2017 Proposed LIRAP Funding	7% Increase	October 1, 2017 Proposed LIRAP Funding
Electric	\$5,391,675	7.0%	\$5,769,092
Natural Gas	<u>\$3,071,917</u>	7.0%	\$3,286,952
Total	<u>\$8,463,592</u>		<u>\$9,056,044</u>

The increased level of funding would become available starting on October 1, 2017.