

1 **Q. Mr. Mullins argues in this case that the investment in general plant is**
 2 **“generally less time-sensitive” and that “it is probably unnecessary for a Company**
 3 **experiencing low load growth to invest in a new office building?”⁴² Do you agree with his**
 4 **statement?**

5 A. No. Mr. Mullins made the assumption that the only asset types included in the
 6 general plant category are those of an office building or those of a facilities-related nature.
 7 However, the FERC uniform system of accounts includes a number of other categories in the
 8 “General Plant” category, as well. Table No. 9 includes each FERC account within General Plant,
 9 along with the AMA balance included in each account, as of December 31, 2016, for both
 10 Washington Electric and Natural Gas services:

11 **Table No. 9:**

| FERC Accounts - General Plant | Avista Washington Electric Plant Balance 12.31.16 | Percent of Balance | Avista Washington Natural Gas Plant Balance as of 12.31.16 | Percent of Balance |
|----------------------------------------|------------------------------------------------------|-----------------------|------------------------------------------------------------------|--------------------------|
| 389 Land and land rights | 5,855,163 | 3% | 2,160,362 | 4% |
| 390 Structures and improvements | 62,729,604 | 27% | 19,008,592 | 33% |
| 391 Office furniture and equipment | 36,837,169 | 16% | 8,905,991 | 16% |
| 392 Transportation equipment | 29,328,633 | 13% | 9,098,889 | 16% |
| 393 Stores equipment | 2,278,594 | 1% | 653,060 | 1% |
| 394 Tools, shop and garage equipment | 8,724,654 | 8,689,747 | 5,392,411 | 9% |
| 395 Laboratory equipment | 640,692 | 34,907 | 261,993 | 0% |
| 396 Power operated equipment | 21,417,784 | 640,692 | 3,691,203 | 6% |
| 397 Communication equipment | 65,176,536 | 21,417,784 | 7,671,362 | 13% |
| 398 Miscellaneous equipment | 277,762 | 65,176,536 | 60,195 | 0% |
| 399 Other tangible property | 277,762 | 0% | | 0% |
| Total | 233,266,591 | 100% | 56,904,058 | 100% |

19 For example, the General Plant category includes assets such as Transportation Equipment,
 20 Tools, and Communication Equipment, which are all tied to the everyday operations of the
 21 Company. These are items that are no less “time-sensitive” than other asset categories. This table
 22 also shows the relative size of each account as a percentage of the total general plant balance.

⁴² Exh. BGM-1T, p. 18, ll. 10-13.