

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	10/18/2016
CASE NO:	UE-160228 & UG-160229	WITNESS:	Jennifer S. Smith
REQUESTER:	Bench	RESPONDER:	Annette Brandon
TYPE:	Bench Request	DEPT:	State & Federal Regulation
REQUEST NO.:	Bench Request No. 7	TELEPHONE:	(509) 495-4324
		EMAIL:	Annette.Brandon@avistacorp.com

REQUEST:

Please provide clarification of whether or not the labor expense associate with the Quality Assurance Program Manager position has been included in the Company's revenue requirement.

RESPONSE:

In response to Bench Request No. 7, the labor expense associated with the Quality Assurance Program Manager has been included within the Company's natural gas Modified Historical Test Period Study and Cross Check Study balances. However, as this expense was included as a pro forma adjustment, it was not adjusted or included directly within the Company's natural gas Attrition Study.

The Company agrees that this position should have been excluded from the Company's natural gas Modified Historical Test Period and Cross Check Studies. The responsibilities of this position are currently being filled by an existing employee and we do not anticipate adding an additional position to cover this role during 2017 as originally planned. Removing this position from the Company's pro forma labor expense, reduces natural gas expense within the Modified Historical Test Period and Cross Check Studies by \$7,000. Only 10% of this position was originally included as expense, with the remaining capitalized. The capital portion of this position was not included in the Company's natural gas Modified Historical Test Period or Cross Check Studies. Please see Bench Request No. 7 - Attachment A for detailed information as originally filed and Avista's revised position regarding the Pipeline Safety labor positions.