

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION)	DOCKETS UE-190334, UG-190335, and UE-190222 (<i>Consolidated</i>)
Complainant,)	
v.)	
AVISTA CORPORATION d/b/a AVISTA UTILITIES)	
Respondent.)	
_____)	

**EXHIBIT BGM-11
RESPONSES TO DATA REQUESTS**

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	08/19/2019
CASE NO.:	UE-190334 & UG-190335	WITNESS:	Bill Johnson
REQUESTER:	AWEC	RESPONDER:	Clint Kalich
TYPE:	Data Request	DEPT:	Energy Resources
REQUEST NO.:	AWEC – 013	TELEPHONE:	(509) 495-4532
		EMAIL:	Clint.Kalich@avistacorp.com

REQUEST:

Please provide Avista's latest power cost forecast for calendar year 2020 in a format substantially similar to Exhibit WGJ-2 in Docket UE-170485 (Consolidated). Please also provide the underlying workpapers.

RESPONSE:

The Company has not performed any such analysis.

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	08/19/2019
CASE NO.:	UE-190334 & UG-190335	WITNESS:	Clint Kalich
REQUESTER:	AWEC	RESPONDER:	John Lyons
TYPE:	Data Request	DEPT:	Energy Resources
REQUEST NO.:	AWEC - 014	TELEPHONE:	(509) 495-8515
		EMAIL:	John.Lyons@avistacorp.com

REQUEST:

Please provide Avista's most recent forward price curves, including monthly prices over the period September 1, 2019 through March 31, 2022, for each power and gas market where Avista transacts.

RESPONSE:

Please see the Company's response in AWEC-DR-014C for the requested information. AWEC-DR-014C is **CONFIDENTIAL SUBJECT TO GENERAL PROTECTIVE ORDER**.

Please refer to AWEC-DR-014C Confidential Attachment A for the most recent forward power and market price curves covering September 1, 2019 through March 31, 2022.

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	08/07/2019
CASE NO.:	UE-190334 & UG-190335	WITNESS:	Elizabeth Andrews
REQUESTER:	AWEC	RESPONDER:	Jeanne Pluth
TYPE:	Data Request	DEPT:	Regulatory Affairs
REQUEST NO.:	AWEC - 016	TELEPHONE:	(509) 495-2204
		EMAIL:	jeanne.pluth@avistacorp.com

REQUEST:

Reference Andrews workpapers “Exh EMA 2 -2018 WA Electric RR Model AMA 2020.xlsx,” Tab “ROO Input,” Excel Row 481, Customer Advances:

- a. Please identify the amount of Customer Advances received for both gas and electric services for each year 2016 – 2018;
- b. Please provide the balances associated with Customer Advances for both gas and electric services at the end of each year 2016 – 2018; and,
- c. Please detail the amount of amortization associated with Customer Advances for both gas and electric services for each year 2016 – 2018.

RESPONSE:

- a. Please see AWEC-DR-016-Attachment A for the transactions recorded in FERC Account 252000 – Customers Advances. This activity includes not only the amounts billed to customers, but also amounts refunded or capitalized.
- b. Please see AWEC-DR-016-Attachment B for 2018 ending balances, AWEC-DR-016-Attachment C for 2017 ending balances, and AWEC-DR-016-Attachment D for 2016 ending balances.
- c. The Company does not amortize customer advances. The amounts are either refunded or capitalized to the plant.

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	08/29/2019
CASE NO.:	UE-190334 & UG-190335	WITNESS:	Elizabeth Andrews
REQUESTER:	AWEC	RESPONDER:	Tara Knox
TYPE:	Data Request	DEPT:	Regulatory Affairs
REQUEST NO.:	AWEC - 104	TELEPHONE:	(509) 495-4325
		EMAIL:	tara.knox@avistacorp.com

REQUEST:

Please provide forecast electric and natural gas sales volumes by rate schedule for the years ending March 31, 2021 and March 31, 2022.

RESPONSE:

Please see AWEC-DR-104 Attachment A where the electric forecasted load information (previously provided in the electronic version of Exh. EMA-4 page 5) has been summarized for the requested time periods. Please see AWEC-DR-104 Attachment B where the natural gas forecasted load information (previously provided in the electronic version of Exh. EMA-5 page 5) has been summarized for the requested time periods.

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	08/23/2019
CASE NO.:	UE-190334 & UG-190335	WITNESS:	Liz Andrews
REQUESTER:	AWEC	RESPONDER:	Jeanne Pluth
TYPE:	Data Request	DEPT:	Regulatory Affairs
REQUEST NO.:	AWEC - 109	TELEPHONE:	(509) 495-2204
		EMAIL:	jeanne.pluth@avistacorp.com

REQUEST:

Please provide plant retirements by FERC account for both gas and electric services over the annual periods 2016, 2017, and 2018.

RESPONSE:

Please see AWEC-DR-109-Attachment A, for retirements summarized by service and jurisdiction for 2016, 2017, and 2018. In addition, Attachment A includes the same data for the actual retirements for the seven months ended July 31, 2019. The 2019 data was requested in AWEC-DR-110, but for ease of summarizing data and allocations, all of the periods are provided in this response.

The FERC level detail is included in Attachment A on the tab labeled "data".

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	08/23/2019
CASE NO.:	UE-190334 & UG-190335	WITNESS:	Liz Andrews
REQUESTER:	AWEC	RESPONDER:	Jeanne Pluth
TYPE:	Data Request	DEPT:	Regulatory Affairs
REQUEST NO.:	AWEC - 111	TELEPHONE:	(509) 495-2204
		EMAIL:	jeanne.pluth@avistacorp.com

REQUEST:

Did Avista consider plant retirements in 2019 when calculating the impact of 2019 Pro Forma plant additions in adjustment 3.10E? If no, please explain.

RESPONSE:

No, retirements were not included in the capital adjustments in this case. Consistent with prior cases, the Company only included a subset of 2019 additions, with no changes to overall retirements, as the Company is not allowed to pro form all capital activity through the rate year.

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	08/23/2019
CASE NO.:	UE-190334 & UG-190335	WITNESS:	Liz Andrews
REQUESTER:	AWEC	RESPONDER:	Jeanne Pluth
TYPE:	Data Request	DEPT:	Regulatory Affairs
REQUEST NO.:	AWEC - 112	TELEPHONE:	(509) 495-2204
		EMAIL:	jeanne.pluth@avistacorp.com

REQUEST:

Did Avista consider plant retirements in 2018 when calculating the EOP adjustment in 2.19E and 2.15G?
If no please explain.

RESPONSE:

Any plant that was recorded as retired in 2018 was removed from the December 31, 2018 plant balance and accumulated depreciation balance, therefore, when Avista adjusted net plant to EOP, those retirements would have been already removed from the EOP balance.

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	08/23/2019
CASE NO.:	UE-190334 & UG-190335	WITNESS:	Liz Andrews
REQUESTER:	AWEC	RESPONDER:	Jeanne Pluth
TYPE:	Data Request	DEPT:	Regulatory Affairs
REQUEST NO.:	AWEC - 115	TELEPHONE:	(509) 495-2204
		EMAIL:	jeanne.pluth@avistacorp.com

REQUEST:

Please provide transaction detail of all costs associated with Avista’s corporate jet that Avista included in revenue requirement.

RESPONSE:

Prior to March 2018, Avista leased the Company plane, with the cost of the lease included in customer rates. In March 2018, Avista exercised the end of term purchase option as provided in the lease, effectively purchasing the plane. Prior to the purchase of the plane, the Company recorded the fixed costs (i.e. plane lease payments, pilot salaries and benefits, hangar lease, etc.) in various A&G accounts (FERC Accounts 920-931) and allocated the costs to Washington using allocation factors for those accounts¹. The variable costs (i.e. landing fees, fuel, plane parts, etc.) were recorded in a pooling account (FERC Account 184100), which in turn were assigned to Company projects (including capital, O&M and non-utility) based on the purpose of each flight and applying an average mileage rate to the distance of each flight. After the plane was purchased in early 2018, the Company records all costs (excluding the cost of the hangar, which is discussed further below) in the pooling account, including the depreciation expense on the plane. Therefore all plane costs (no longer just the variable costs) are assigned to the project based on the purpose of the flights. Since the fixed and variable costs are recorded differently during 2018, this response provides data for all fixed and variable costs of operating the Company plane.

A summary of the costs on a system basis, Washington electric basis and Washington natural gas basis follows:

		System
		2018
Costs Allocated from Pooling Account (FERC 184100) based on Mileage	AWEC-DR-115-Attachment A	\$ 1,025,299
Costs Not Allocated Using Pooling Account (Fixed Costs Prior to March 2018)	AWEC-DR-115-Attachment B	210,923
Costs Recorded in Pool Not Allocated Using Mileage	AWEC-DR-115-Attachment C	299,618
Depreciation on Hangar (Not Included in Pooling Account)	AWEC-DR-115-Attachment D	42,349
		\$ 1,578,189
Rate Base	AWEC-DR-115-Attachment D	\$ 4,200,770

¹ As described below, the Company first transferred a portion of the fixed costs from above the line to below the line for the flights that were used for non-utility business. Only the amount left in O&M was allocated to service and jurisdiction.

		WA Electric
		2018
Costs Allocated from Pooling Account (FERC 184100) based on Mileage	AWEC-DR-115-Attachment A	\$ 316,487
Costs Not Allocated Using Pooling Account (Fixed Costs Prior to March 2018)	AWEC-DR-115-Attachment B	101,407
Costs Recorded in Pool Not Allocated Using Mileage	AWEC-DR-115-Attachment C	144,144
Depreciation on Hangar (Not Included in Pooling Account)	AWEC-DR-115-Attachment D	20,271
		\$ 582,309
Rate Base	AWEC-DR-115-Attachment D	\$ 2,010,759

		WA Natural Gas
		2018
Costs Allocated from Pooling Account (FERC 184100) based on Mileage	AWEC-DR-115-Attachment A	\$ 125,349
Costs Not Allocated Using Pooling Account (Fixed Costs Prior to March 2018)	AWEC-DR-115-Attachment B	31,325
Costs Recorded in Pool Not Allocated Using Mileage	AWEC-DR-115-Attachment C	44,490
Depreciation on Hangar (Not Included in Pooling Account)	AWEC-DR-115-Attachment D	6,209
		\$ 207,373
Rate Base	AWEC-DR-115-Attachment D	\$ 615,931

During 2018, Avista was notified the leased hangar would no longer be available to the Company after 2018. Therefore, the Company constructed a hangar that was in service in December 2018. Please see Avista's response to AWEC-DR-116. The depreciation of the hangar was not assigned to be recorded in the plane pooling account, but instead recorded in depreciation expense and allocated using company allocation methods.

Prior to the purchase of the plane, the only costs assigned to Company projects (including capital, O&M and non-utility) were the variable costs. For the flights that were used for non-utility business, the Company separately re-allocated fixed costs to non-utility accounts for those flights. When the Company purchased the plane and began recording all costs in the pool, this re-allocation of fixed costs for non-utility flights was determined to be unnecessary. However, this overlooked the costs associated with owning the plane and hangar (i.e. return on rate base). The Company believes it is appropriate to allocate the estimated revenue requirement associated with owning the plane and hangar to non-utility for the non-utility flights. For this rate case, the Company estimates the amount to remove from Washington electric service to be \$50,000 and \$15,500 for Washington Natural gas service. (Please see AWEC-DR-115-Attachment D for calculations.)

The Company also identified costs that were incurred in 2018 for the lease of the plane and old hangar that will not be incurred in the rate year, therefore, believes the revenue requirement associated with this costs should be also removed from this case. (Please see AWEC-DR-115-Attachment E for calculations). The amount to remove is \$55,283 for Washington electric and \$14,614 for Washington natural gas.

A table summarizing the estimated revenue requirement that should be removed from the filed case for the plane and hangar follows:

Summary of Estimated Revenue Requirement to be Removed from GRC		
	WA Electric	WA Natural Gas
Allocated to Non-utility for Rate Base/Depreciation Expense (See AWEC-DR-115-Attachment D)	\$ 50,000	\$ 15,500
Rent (See AWEC-DR-115-Attachment E)	55,283	14,614
Estimated Revenue Requirement	<u>\$ 105,283</u>	<u>\$ 30,114</u>

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/03/2019
CASE NO.:	UE-190334 & UG-190335	WITNESS:	Jody Morehouse
REQUESTER:	AWEC	RESPONDER:	Eric Scott
TYPE:	Data Request	DEPT:	Gas Supply
REQUEST NO.:	AWEC - 126	TELEPHONE:	(509) 495-4001
		EMAIL:	eric.scott@avistacorp.com

REQUEST:

Please provide all GTN Pipeline invoices over the period November 2018 through January 2019.

RESPONSE:

Please see the Company's response in AWEC-DR-126C for the requested information. AWEC-DR-126C is **CONFIDENTIAL SUBJECT TO GENERAL PROTECTIVE ORDER**.

Please see AWEC-DR-126C Confidential Attachments A - C for copies of GTN invoices between November 2018 and January 2019.

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	08/28/2019
CASE NO.:	UE-190334 & UG-190335	WITNESS:	William Johnson
REQUESTER:	AWEC	RESPONDER:	William Johnson
TYPE:	Data Request	DEPT:	Power Supply
REQUEST NO.:	AWEC - 128	TELEPHONE:	(509) 495-4046
		EMAIL:	bill.johnson@avistacorp.com

REQUEST:

Please state the amount of GTN Pipeline costs included in Exhibit WGJ-2 in Dockets UE-170485 et al. (Consolidated).

RESPONSE:

\$8,563,745 of GTN Pipeline costs was included in Exhibit WGJ-2 in Dockets UE-170485. Please see AWEC-DR-128 Attachment A that was provided in work papers in Dockets UE-170485.

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	08/28/2019
CASE NO.:	UE-190334 & UG-190335	WITNESS:	William Johnson
REQUESTER:	AWEC	RESPONDER:	William Johnson
TYPE:	Data Request	DEPT:	Power Supply
REQUEST NO.:	AWEC - 130	TELEPHONE:	(509) 495-4046
		EMAIL:	bill.johnson@avistacorp.com

REQUEST:

Please provide a description of Avista's WNP-3 power purchase agreement with the Bonneville Power Administration, including the price and term associated with the agreement.

RESPONSE:

The contract originated with the settlement agreement with BPA over the halted WNP-3 nuclear plant. Avista received power November through April, and the contract ended June 30, 2019. Price charged to Washington ratepayers included in the pro forma in Dockets UE-170485 was \$44.325/MWh, which was the average of the floor and ceiling price in the contract.

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

JURISDICTION:	Washington	DATE PREPARED:	08/26/2019
CASE NO.:	UE-190334/UG-190335	WITNESS:	Elizabeth Andrews
REQUESTER:	AWEC	RESPONDER:	Joel Anderson
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	AWEC - 135	TELEPHONE:	(509) 495-2811
		EMAIL:	joel.anderson@avistacorp.com

REQUEST:

Please provide the following in connection with the director fees and expenses included in Avista's results:

- a. Please identify the amount of director fees, by director, included in the 2018 test period results.
- b. Please provide workpapers supporting the split of director fees between utility and non-utility operations. If a time study was performed, please provide a copy of the time study.
- c. Please identify all non-cash compensation provided to directors, by director, in the test period.
- d. Please provide invoice level detail of all director expenses Avista reimbursed in the test period.

RESPONSE:

Please see AWEC-DR-135 Attachment A for the requested information, which, includes information previously provided with Andrews' workpapers Miscellaneous Adjustment 2.12.

- a. See tab "MR_BOD-5" in attachment A.
- b. See tab "MR_BOD-4" in attachment A. (A time study was not performed)
- c. See tab "MR_BOD-5" in attachment A.
- d. See tab "Transaction Detail" in attachment A.

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	08/28/2019
CASE NO.:	UE-190334 & UG-190335	WITNESS:	William Johnson
REQUESTER:	Public Counsel	RESPONDER:	William Johnson
TYPE:	Data Request	DEPT:	Power Supply
REQUEST NO.:	PC – 107 Supplemental	TELEPHONE:	(509) 495-4046
		EMAIL:	bill.johnson@avistacorp.com

REQUEST:

Re: Direct Testimony of William G. Johnson, Exh. WGJ-1T at 9.

- a) Provide the monthly *forecasted* AECO gas prices underlying Avista's authorized net power costs for 2018 (\$/MMBtu).
- b) Provide the monthly *forecasted* Malin gas prices underlying Avista's authorized net power costs for 2018 (\$/MMBtu).
- c) Provide the *actual* monthly average AECO gas prices underlying Avista's authorized net power costs for 2018 (\$/MMBtu).
- d) Provide the *actual* monthly average Malin gas prices underlying Avista's authorized net power costs for 2018 (\$/MMBtu).
- e) Identify the source and date for the forecasted AECO gas prices underlying Avista's authorized net power costs for 2018.
- f) Identify the source and date for the forecasted Malin gas prices underlying Avista's authorized net power costs for 2018.
- g) Does Avista plan to continue to use the same sources for forecasted AECO and Malin gas prices in future calculations of authorized net power costs as it did in its calculation of 2018 authorized net power costs? If so, explain why. If not, explain what other source Avista plans to use.
- h) Is it Avista's understanding that the described proliferation of natural gas production in the Northeast has now been accounted for in the gas price sources that Avista uses to forecast net power costs? If so, explain the basis for that understanding. If not, explain why Avista continues to rely on these gas price sources.
- i) Was the opportunity for price arbitrage associated with the difference in prices between AECO and Malin incorporated in Avista's calculation of authorized 2018 net power costs? If so, provide all workpapers containing those calculations in native format. If not, explain why not.

SUPPLEMENTAL RESPONSE: (8/28/2019)

Please see PC-DR-107 Supplemental Attachments A, B and C. PC-DR-107 Supplemental Attachments A and B are snapshots of the worksheet that estimates the forward value of gas transport optimization daily. PC-DR-107 Supplemental Attachment A shows the \$9,347,000 estimate used in the 2015 general rate cases that was included in the 2016 pro forma and formed the basis for the authorized gas transport optimization revenue for the period January through April 2018.

PC-DR-107 Supplemental Attachments B and C were used to derive the gas transport optimization revenue in the 2017 general rate case for the pro forma period May 2018 through April 2019. In the 2017 general

rate case the estimate of forward gas transport optimization revenue was tempered by the historic average and the steep increase in revenue from 2015 to 2016. Based on PC-DR-107 Supplemental Attachment B the gas transport optimization value for the May 2018 through April 2019 pro forma period was roughly \$13 million. However, the remaining open position was over 60% of available transport, meaning that the majority of value was exposed to market price movement. Also, 2016 was the first year when a large AECO/Malin spreads appeared. Gas transport value increased from \$6.2 million in 2015 to \$11.2 million in 2016. The Company was not convinced that the spreads would remain wide enough to support a \$13 million gas transport value in the pro forma period. Based on forward prices, history and price uncertainty a gas transport optimization value of \$9,000,000 was included in the pro forma.

Avista has 60,000 dth/day available for forward gas transport optimization trades. Estimates of future gas transport optimization revenue include both a market component based on forward prices applied to remaining open positions and the optimization value already entered into from actual forward transactions. Together these form the total gas transport optimization estimates shown in PC-DR-107 Supplemental Attachment A and B.

RESPONSE:

A through D

Please see PC-DR-107 Attachment A - table of 2018 monthly authorized and actual gas prices for AECO and Malin. There are no forecasted gas prices underlying the authorized net power costs. They are the 3 month average of forward prices for the pro forma period. Forward prices are the prices that can be transacted, i.e., gas can be bought or sold at those prices now for future delivery. There are no actual prices underlying the authorized net power costs as actuals are not known until after the fact.

E through F

Forward gas prices are from the ICE Exchange. The authorized prices are a 3 month average of the forward prices. For the months of January through April 2018 the authorized gas price was the 3 month average of forward prices for 2016 as of 10-16-15. For the months of May through December 2018 the authorized gas price was the 3 month average of forward prices for May 2018 through April 2019 as of 3-08-17.

G

Avista does not use forecasted gas prices in developing authorized net power costs. Gas prices are actual forward prices. Avista has no plans to move away from using the 3 month average of forward prices in the calculation of net power expense, but is open to discussion of other price methodologies.

H

Forward prices are the collective view of all market participants. Avista's understanding of what knowledge influences forward prices does not change the forward prices.

I

Gas transport optimization or the spread between AECO and Malin prices was incorporated in the authorized net power costs. For the months of January through April 2018 the authorized annual gas transport optimization revenue (included in FERC Account 547) was \$9,437,000. For the months of May

through December 2018 the authorized annual gas transport optimization revenue was \$9,000,000. See PC-107 Attachment B.