

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	DOCKET NOS. UE-200900,
)	UG-200901, UE-200894
Complainant,)	(Consolidated)
v.)	
)	AVISTA CORPORATION'S
AVISTA CORPORATION, d/b/a AVISTA UTILITIES,)	MOTION FOR LEAVE TO
)	FILE REVISED TESTIMONY
Respondent.)	AND EXHIBITS RELATING
)	TO AMI

1 COMES NOW, Avista Corporation (hereinafter "Avista" or the "Company"), pursuant to WAC 480-07-460, and files this Motion for Leave to File Revised Testimony and Exhibits relating to its Advanced Metering Infrastructure ("AMI"). Good cause exists for granting this Motion for the reasons set forth below.

2 As part of its general rate case filing in Docket Nos. UE-200900 and UG-200901, Avista is seeking cost recovery associated with its AMI program. To that end, it filed supporting testimony from Mr. Dennis Vermillion (Exh. DPV-1T), Ms. Heather Rosentrater (Exh. HLR-1T), and Mr. Josh DiLuciano (Exh. JDD-1T) along with a detailed report on all aspects of the AMI project, including costs and benefits (Exh. JDD-2). That information was believed to be true and correct as of the date of its filing on October 30, 2020.

3 In the ensuing months, Avista has become aware of the need to update and revise the foregoing exhibits to reflect more recent information and to correct for certain errors, to make sure that the Commission has the best information available to it when making its AMI cost-recovery determination. The corrections or updates serve to primarily impact the calculation of net benefits associated with the AMI project (increasing net benefits from \$50.3 million to \$56.3 million, over

the life of the project). As it relates to changes in the Company's overall revenue requirement, Avista's electric request decreases by approximately \$0.5 million, and natural gas decreases by \$0.3 million. Avista has provided this information to the Parties in Supplemental Response #2 to Staff Data Request No. 107. Avista will provide these revenue requirement changes, along with all other changes (up or down) that have been identified during the pendency of this case, in its Rebuttal Testimony.

4

The nature of the revisions can be described as follows: This revision was precipitated by Avista's recent decision to read the meters of approximately 17,500 natural gas customers served in our "natural gas only" service areas using mobile field collectors instead of the planned deployment of AMI fixed network communications. This decision was based primarily on delays in the release of software and firmware updates needed for natural gas modules to communicate reliably in these areas. While this decision was determined to have nominal impacts on the net financial benefits of the AMI project, the Company feels it is important to reflect these known changes in this revised Report. Further, because the Company is updating this Report to reflect the change in "natural gas only" service areas, we have also included other known changes in costs and benefits based on the more recent information provided by the Company in response to several recent data requests in this case. Accordingly, we have taken this opportunity to review these and any other known changes that impact the project financials to create a revised Report that reflects as much actual and updated information as is available at this point in the process. A brief listing of key changes captured in these revisions is provided below.

1. Changes to financial costs and benefits associated with the Company's decision to remove approximately 17,500 natural gas meters from the Avista AMI business case. This decision generally impacted results in the following areas:

- a. Reduced capital and O&M costs for meter deployment and collection infrastructure, and the refresh of natural gas meter modules.
 - b. Reduced benefits for regular meter reading, special meter reading, natural gas meter module refresh, slow and failed meters, stopped meters, estimated bills, bill inquiries, billing analysis and rebilling.
2. Updates reflecting actual operating costs through year 2020, and refined forecasts.
 3. Updated actual costs and benefits of Customer Meter Base Repairs, which results in a reduction in capital costs for repairs and corresponding customer benefits.
 4. Revision of costs and benefits generally based on more up-to-date information supporting a refinement in lifecycle forecasts.
 5. Correction in the prior Report financials of an inadvertent double counting of capital costs for future meters.
 6. Reduction in operating costs forecasted in year 2037, which were initially included for the full year. Operating costs now match the expected benefits in 2037, which are included for only the first quarter of that year.

The sum of these incremental changes in capital and O&M costs and financial benefits resulted in a modest improvement in the overall lifecycle net benefits for the project from \$50.3 million, as filed in this case, to the current forecast of \$56.3 million.

5 Accordingly, Avista requests leave to file the following revised Exhibits and/or pages (attached hereto):

- Pages 11-12, of the Direct Testimony of Mr. Dennis Vermillion (Exh. DPV-1T)
- Pages 102-114 of the Direct Testimony of Ms. Heather Rosentrater (Exh. HLR-1T)
- The Revised Testimony of Mr. Josh DiLuciano (Exh. JDD-1Tr)

- Revised versions of the Report (Exh. JDD-2), which are identified as Exh. JDD-2r (Revised-Legislative) and Exh. JDD-2r (Revised-Clean). Avista proposes that all three versions be identified as such and entered into the record. The original Report (Exh. JDD-2) was filed with the case, and ties to the discovery conducted thus far. Exh. JDD-2r (Revised-Legislative) is being submitted in accordance with WAC 480-07-460, in a red-line format. Finally, Exh. JDD-2r (Revised-Clean)) is being presented for ease of reading and to make for a clean record, in light of the extensive changes shown in the red-line version (Exh. JDD-2r (Revised-Legislative)). While the Company, through these revisions, will have filed three different versions of the same Report (original/ Revised-Legislative/ Revised-Clean), should the Commission prefer that only one version be entered into the record, Avista will only offer the Exh. JDD-2r (Revised-Clean).

6 Avista has supplemented all DR responses to date which may have referenced information in the original version of the Report (Exh. JDD-2), to reflect the revised Report (Exh. JDD-2r (Revised-Clean)). The following table identifies the DR’s involved and the date of supplementation:

Advanced Metering Infrastructure Updated/Revised Discovery Responses	
DR#	Date Provided*
Staff-107 – Supplemental 2	February 26, 2021
PC-131 - Revised	March 1, 2021
PC-132 – Revised	March 1, 2021
PC-133 – Revised	March 1, 2021
PC-134 – Revised	March 1, 2021
PC-136 – Revised	March 1, 2021
PC-148 - Revised	March 1, 2021
*Revised workpapers have been provided with Avista's responses.	

7 Because the parties are in a relatively early stage of discovery and the development of positions on the AMI Project, Avista believes that no material harm has been done to their ability to

fully develop information. (Indeed, among the revisions are changes brought to our attention by the parties themselves through discovery.) Moreover, as noted, we have supplemented our responses to all prior discovery to accurately reflect the revisions. Furthermore, the revisions have been made well in advance of the due date for Staff and Intervenors' initial testimony (April 21, 2021), allowing sufficient time to reflect the revisions in such testimony. Finally, the revisions do not otherwise change the fundamental determination of whether there are sufficient net benefits to justify inclusion in rates (indeed, it increases the overall calculation from \$50.3 million to \$56.3 million of net benefits).

8 WHEREFORE, for the foregoing reasons, Avista respectfully requests an Order granting leave to file the referenced and attached revised exhibit material.

RESPECTFULLY SUBMITTED this 5th day of March, 2021.

/s/ David J. Meyer

David J. Meyer, Vice President and Chief Counsel
for Regulatory and Governmental Affairs

cc: Service List