

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION d/b/a AVISTA UTILITIES,

Respondent.

DOCKET NOS. UE-200900 and UG-200901 (*Consolidated*)

PAUL J. ALVAREZ AND DENNIS STEPHENS
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT

EXHIBIT PADS-4

Avista Response to Public Counsel Data Request No. 70

April 21, 2021

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	02/02/2021
CASE NO.:	UE-200900 & UG-200901	WITNESS:	David Howell
REQUESTER:	Public Counsel	RESPONDER:	David James
TYPE:	Data Request	DEPT:	Wildfire Resiliency
REQUEST NO.:	PC-070	TELEPHONE:	(509) 495-4185
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RE: Wildfire Plan

REQUEST:

Please refer to the Attachment provided by Public Counsel, “Public Counsel Avista Wildfire Plan Summary.xlsx”.

This table summarizes all dollar-denominated values of Avista’s Wildfire Plan as presented in David R. Howell, Exhibit DRH 2.

- a) Public Counsel notes that relative values, not dollar-denominated values, are provided for “Inherent” and “Managed” risks for several programs. The missing dollar-denominated values are highlighted in yellow. Provide the dollar-denominated values, both high and low, for “Inherent” and “Managed” risks associated with Wildfire Plan programs: i) Distribution Hardening; ii) Transmission Hardening; iii) Annual Risk Tree; and iv) Distribution Digital Data Collection.
- b) For each of the 19 programs for which Avista provides “Inherent” and “Managed” risk levels in dollars, including those provided in response to subpart (a), as listed on the Public Counsel Attachment, provide all descriptions, explanations, calculations, assumptions, estimates, and other details to support the values listed below. To the extent tables such as the one provided on page 22 of Exhibit DRH- 2 for Pole Fires, exist, provide all such tables.
 - i. “Inherent” risk, low,
 - ii. “Inherent” risk, high,
 - iii. “Managed” risk, low,
 - iv. “Managed” risk, high.

RESPONSE:

- a) Inherent and Managed risk values were calculated in two forms: 1) in raw form based on the range of risk costs over a 10-year planning horizon (2020-2029), and 2) in basis point form. The latter was used to understand the relative risk and risk reduction of a grouping of plan elements. The following table indicates the raw data form of risk costs associated with the 2020 Plan elements as noted:

Plan Element	Inherent Risk (low)	Inherent Risk (high)	Managed Risk (low)	Managed Risk (high)
Distribution Grid Hardening (WA)	\$823.6M	\$1,980.8M	\$6.83M	\$41M
Transmission Grid Hardening (System)	Not scored	--	--	--
Distribution Risk Tree (System)	\$2,816M	\$5,722M	\$264M	\$1,226M
Distribution Digital Data Collection	\$2,816M	\$5,722M	\$132M	\$564M

- b) Avista conducted a series of Wildfire Risk Workshops in May and June of 2019. These workshops formed the basis for much of the risk costs analysis conducted during 2019 and informed decision making with respect to advancing Plan elements and strategies that were adopted in the Wildfire Resiliency Plan published in June of 2020 (see Howell Exh. DRH-2).

An internal report entitled **Wildfire Risk Analysis Summary, *Actions under Consideration***, was published in September of 2019 and detailed the risk costs associated with mitigation strategies ranging from Grid Hardening to Wildfire Threat/Risk Monitoring. This report helped to inform decision makers with respect to risk exposure and possible defensive strategies (see Howell Exh. DRH-3).

This report details the methods and techniques deployed during the risk workshops to identify and evaluate a number of possible defense mechanisms. The terms ‘inherent’ and ‘managed’ risk refer to the range of risk costs associated with the status quo versus implementing a particular strategy. The Wildfire Plan as formally adopted reflects the maturity of analysis from September 2019 through June 2020. Obviously, there are differences between the risk analysis report and Plan recommendations.

The example of ‘pole fires’ as noted in the Exhibit DRH-2, Page 22 (Avista 2020 Wildfire Resiliency Plan) was included for illustration purposes only.

Risk Analysis was focused in three key areas:

1. Direct Financial (the costs associated with infrastructure replacement, fire suppression, 1st party damages)
2. Customer (costs associated with service disruptions and 3rd party claims including property loss)
3. Safety (public and employee injuries)

The document as noted will help to illuminate the range of potential risk costs associated with planned defenses such as Fire Expedited Response and Avista’s Dry Land Mode protection system.