

**BEFORE THE WASHINGTON  
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION d/b/a AVISTA UTILITIES,

Respondent.

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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**

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**EXHIBIT PADS-5**

Avista Response to Public Counsel Data Request No. 184

**April 21, 2021**

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	02/25/2021
CASE NO.:	UE-200900 & UG-200901	WITNESS:	David Howell
REQUESTER:	Public Counsel	RESPONDER:	David James
TYPE:	Data Request	DEPT:	Wildfire Resiliency
REQUEST NO.:	PC-184	TELEPHONE:	(509) 495-4185
		EMAIL:	dave.james@avistacorp.com

**RE: Wildfire Plan**

**REQUEST:**

**Please refer to David R. Howell, Exhibit DRH-2, at 13, and the table “Resiliency Risk and Cost Summary – Washington and Idaho Electric”.**

- a) Provide all business cases, worksheets, workbooks, models, cost-benefit analyses, or any other calculations, presentations, requests, standards, or other documentation which provides and explanation of how Avista arrived at the risk factors or dollar amounts in each of the boxes under the columns (i) Inherent Risk; (ii) Managed Risk; (iii) Risk Reduction.
- b) Refer to Tables providing Inherent Risk, Managed Risk and Risk Mitigation (Reduction) information for individual Wildfire Plan components on pages 29, 31, 34, 35, 36, 37, 38, 40, 42, 44, 46, 47, 49, 50, 51, 52, 54, 56, 57, 61, and 65. Please provide all business cases, worksheets, workbooks, models, cost-benefit analyses, or any other calculations, presentations, requests, standards, or other documentation which provides and explanation of how Avista arrived at the risk factors or dollar amounts in each of the boxes under the columns (i) Inherent Risk; (ii) Managed Risk; (iii) Risk Reduction.
- c) The Tables referred to in subpart (b) appear to be aggregated into the summary table on page 13. For each Table referred to in subpart (b), (i) identify the summary component of the table on page 13 to which each individual Wildfire Plan component belongs; and ii) provide the calculations for how the individual Wildfire Plan components were aggregated into the appropriate summary component of the table on page 13.

**RESPONSE:**

- a) Exh. DRH-2 cites an internal report (Exh. DRH-3) entitled “Wildfire Risk Analysis Summary, Actions under Consideration.” This report was published in September 2019 approximately 9 months before the Wildfire Resiliency Plan was released in June of 2020. This risk report summarized the outcomes of the Wildfire Risk Analysis workshops that were conducted in May and June of 2019 together with consultations with external resources including utility members of the Western Energy Institute, such as Puget Sound Energy and PacifiCorp. Six workshops were held to identify and analyze potential treatments to help reduce the risk of wildfire associated with electric transmission and distribution operations. The workshops were facilitated by Avista Business Process Improvement group who are specifically trained to lead teams through business improvement efforts. The teams consisted of Avista subject matter experts such as Avista's Chief System Operator, the Distribution Operations Manager, engineering managers, safety experts, front-line workers, utility arborists, and several others including outside agencies. The team also included full time representation from Avista's Risk Management group and Avista's Asset Management team who helped build the risk matrixes and develop the methods used during the workshops. The terms “Inherent Risk” and “Managed Risk” were terms used throughout the

workshops and simply acknowledge the before and after states associated with each potential treatment. Over 160 potential treatment were initially identified. About 100 items were eliminated through an initial screening process to measure the relative cost, effort, complexity, and potential benefits of each item. The remaining 60 items were subject to analysis producing scores for Inherent (before) and Managed (after) risks. A low (pessimistic) to high (optimistic) range was used in both cases. In the Wildfire Resiliency Plan, Inherent and Managed risk scores were converted to a basis point system. To illustrate, if the Inherent Risk range was between \$1,000 and \$2,000 dollars on a basis point system, the range would be 50-100%. To further illustrate, assume by implementing a risk reduction strategy the managed risk ranged between \$500 and \$1,500. On a percentage basis system, the managed risk range would be 25-75%. The risk reduction, or difference between the ranges of Inherent and Managed risk would be 25%. Essentially, risk would be reduced by one-quarter. Assessing the Inherent and Managed risk associated with strategies to reduce the risk of wildfires lies at the heart of the Avista Wildfire Resiliency Plan. The Plan is risk-based. Though there are difference between the Risk Analysis report from September 2019 and the Wildfire Plan of June 2020, the methods risk to identify risk cost is illustrated more clearly in the September 2019 report.

See also PC-DR-184 Attachments A – E for materials associated with the Wildfire Workshops discussed above.

- b) Please refer to Exh. DRH-3, “Wildfire Risk Analysis Summary, Actions under Consideration” and part (a) of this response.
- c) Please refer to Exh. DRH-3, “Wildfire Risk Analysis Summary, Actions under Consideration” and part (a) of this response.