

**Exh. DCG-10  
Dockets UE-200900, UG-200901,  
UE-200894  
Witness: David C. Gomez**

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**AVISTA CORPORATION, d/b/a  
AVISTA UTILITIES,**

**Respondent.**

**DOCKETS UE-200900, UG-200901,  
UE-200894 (*Consolidated*)**

**EXHIBIT TO  
TESTIMONY OF**

**David C. Gomez**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Avista's Response to UTC Staff Data Request No. 125, Attachment A – Colstrip Non-Overhaul Maintenance*

**April 21, 2021**

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	02/17/2021
CASE NO.:	UE-200900 & UG-200901	WITNESS:	Jason Thackston
REQUESTER:	UTC Staff	RESPONDER:	Krista Johnson
TYPE:	Data Request	DEPT:	Resource Accounting
REQUEST NO.:	Staff – 125	TELEPHONE:	(509) 495-8020
		EMAIL:	krista.johnson@avistacorp.com

**SUBJECT: Colstrip**

**REQUEST:**

According to the Company, the amount of Colstrip Unit 3 and 4's O&M (non-overhaul) expense for the rate year is set based on test-year levels. Please provide:

- a. The rate year monthly and total amount of Colstrip Unit 3 and 4 O&M (non-overhaul) expense, which Avista proposes to include in rates;
- b. The actual annual amount of Colstrip Unit 3 and 4 O&M (non-overhaul) costs for the years 2013 to 2020; and
- c. The actual annual amount of Colstrip Unit 3 and 4 O&M (non-overhaul) costs for the years 2013 to 2020 (in B above) categorized under the Colstrip Steam Electric Station Operating Budget's Business Plan as "O&M Costs Base" and "O&M Special Maintenance."

Please explain the difference between O&M Costs Base and O&M Special maintenance as defined by the Colstrip ownership consortium. Additionally, explain the differences between the amount totals in a and b above.

**RESPONSE:**

Please see Staff-DR-125 Attachment A.

- a. Avista did not pro form a change to the Colstrip non-overhaul expense to the rate period (October 1, 2021 - September 30, 2022) in its filing. Avista has included the annual 2019 historical level of approximately \$11,992,000 (System) in its filing, Washington's share of approximately \$7,872,000. See Staff-DR-125 Attachment A, tab "a) 2019 Monthly" for the monthly non-overhaul Colstrip O&M expenses by month for 2019.
- b. See Staff-DR-125 Attachment A, tab "b) 2013-2020" for O&M expenses for the period 2013-2020. Please note the 2013 "overhaul" versus "non-overhaul" O&M amounts are unknown – only the total O&M is available. The Company began separately tracking these costs (overhaul versus non-overhaul O&M) starting in 2014 in order to normalize Colstrip overhaul O&M for regulatory purposes per Order 05, Docket No. UE-150204.<sup>1</sup>

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<sup>1</sup> In Order 05, page 56, paragraph 153 of Docket No. UE-150204, the Commission ordered the Company, for regulatory purposes, to normalize and recover its major maintenance expense associated with Avista's Colstrip and Coyote Springs 2 plants over a period to match the major maintenance cycles for each plant.

- c. Avista does not recognize costs broken out to the same detailed level that is shown on the Colstrip Steam Electric Station Operating Budget's Business Plan. The terms O&M Costs Base and O&M Special Maintenance are not terms defined by the ownership consortium. These are terms utilized by Talen to assist in the organization of their budget. In general, O&M Costs Base items are those costs needed to operate the plant, and expenses that perform regular, ongoing plant maintenance needed to keep the plant operational and performing at expected levels. OH Maintenance are those expense items that are done as part of the planned overhaul projects. The characterization of Special Maintenance is those projects that are not characterized as O&M Costs Base or OH Maintenance. These breakouts help the plant plan and manage their work, but are not separated out on the face of the monthly invoice or accompanying detail provided to Avista.

Please also see Staff-DR-125 Attachment B. In the Company's direct filed case it had provided Pro forma Adjustment 3.20 (CS2-Colstrip Major Maintenance) which normalized the Colstrip and Coyote Springs II major (overhaul) O&M expense based on the period 2018-2020. This update captures actual 2020 Colstrip major (overhaul) O&M expense, increasing the normalized (2018-2020) adjusted O&M for Colstrip/CS2 proposed for the rate period of \$1.8 million system, or \$1.2 million Washington share. (CS2 did not have overhaul expense in 2020.) As shown on Staff-DR-125 Attachment B, the impact of this update for 2020 actual expense, increases the Company's major O&M expense by approximately \$49,000, and revenue requirement \$51,000, from our direct filed case.<sup>2</sup>

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<sup>2</sup> Pro Forma Adjustment 3.20 adjusts transmission expense from the as-filed reduction of \$16,000 to an increase of \$33,000, a net change (increase in expense) of \$49,000 from the Company's filed case. See Staff-DR-125 Attachment B.

*b) The actual annual amount of Colstrip Unit 3 and 4 O&M (non-overhaul) costs for the years 2013 to 2020*

<b>SYSTEM AMOUNTS</b>				
<b>Year</b>	<b>Total O&amp;M Exp</b>	<b>O&amp;M Overhaul</b>	<b>Non-Overhaul</b>	<b>Notes</b>
2013	12,841,477.00	-	12,841,477.00	No Overhaul data available. Did not begin tracking breakout until 2014.
2014	12,978,670.00	1,882,242.78	11,096,427.22	
2015	12,726,981.00	-	12,726,981.00	
2016	16,161,436.00	3,619,675.77	12,541,760.23	
2017	15,563,877.00	2,901,452.99	12,662,424.01	
2018	12,071,385.00	308,086.78	11,763,298.22	
2019	11,992,031.00	-	<b>11,992,031.00</b>	<b>(Test Period in filing)</b>
2020	17,605,702.00	3,051,727.11	14,553,974.89	
		<b>Avg. 2014 to 2018</b>	\$ 12,158,178	
		<b>difference from TY</b>	\$ 166,147	