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**From:** Lyons, John [mailto:John.Lyons@avistacorp.com]  
**Sent:** Tuesday, July 17, 2018 10:22 AM  
**To:** Rector, Andrew (UTC) <andrew.rector@utc.wa.gov>  
**Subject:** RE: [External] Incremental Cost Reporting in Staff Comments

Yes, that is fine with me.

Thank you,

John

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**From:** Rector, Andrew (UTC) [mailto:andrew.rector@utc.wa.gov]  
**Sent:** Tuesday, July 17, 2018 9:32 AM  
**To:** Lyons, John <John.Lyons@avistacorp.com>  
**Subject:** RE: [External] Incremental Cost Reporting in Staff Comments

Hi John – I hope your Tuesday is going well. I wanted to ask you if you had any concerns with me submitting our below e-mail exchange to the docket. The reason for this is so that we have a record in the docket that it's okay for me to use your incremental cost calculations in the table I sent you recently.

Is that acceptable to you? Thanks!

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**From:** Rector, Andrew (UTC) [mailto:andrew.rector@utc.wa.gov]  
**Sent:** Tuesday, July 03, 2018 10:27 AM  
**To:** Lyons, John <John.Lyons@avistacorp.com>  
**Cc:** Ehrbar, Pat <Pat.Ehrbar@avistacorp.com>  
**Subject:** RE: [External] Incremental Cost Reporting in Staff Comments

Thanks, John and Pat. I appreciate the rundown of what happened and the updated calculations. I will run with the table that I sent you yesterday in my staff comments. In the meantime, I was just thinking that in the write-up you provided the UTC, on page 4, you make mention of the -1.0 percent incremental costs. I'm thinking we should re-file that, I'm thinking just the replacement page instead of the whole report. Is there any reason that we wouldn't do that?

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**From:** Lyons, John [<mailto:John.Lyons@avistacorp.com>]  
**Sent:** Tuesday, July 3, 2018 8:36 AM  
**To:** Rector, Andrew (UTC) <[andrew.rector@utc.wa.gov](mailto:andrew.rector@utc.wa.gov)>  
**Cc:** Ehrbar, Pat <[Pat.Ehrbar@avistacorp.com](mailto:Pat.Ehrbar@avistacorp.com)>  
**Subject:** [WARNING: UNSCANNABLE EXTRACTION FAILED]RE: [External] Incremental Cost Reporting in Staff Comments

Hello Andrew,

Yes, this is correct. Pat Ehrbar will be submitting the updated Appendix B and E spreadsheet and a copy is attached on this email. I updated the Appendix B and E spreadsheet by multiplying the cells in column K of the Renewable Cost Report tab by 65.35% for the Washington portion of the system. This change updated cell M13 to negative \$3,238,595 and cell M15 to -0.6% on the Renewables Report tab.

And you also have Avista's permission to use the aggregated incremental cost data.

Thank you and have a happy Fourth of July,

John Lyons

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**From:** Rector, Andrew (UTC) [<mailto:andrew.rector@utc.wa.gov>]  
**Sent:** Monday, July 02, 2018 5:04 PM  
**To:** Lyons, John <[John.Lyons@avistacorp.com](mailto:John.Lyons@avistacorp.com)>  
**Subject:** RE: [External] Incremental Cost Reporting in Staff Comments

Hi John – I got your message, but ended up on the phone a good portion of this afternoon. As I understand your message, Pat Ebar (spelling?) will send me something that documents what happened to cause the discrepancy between your UTC incremental cost reporting file, and the true costs. And that will help us ensure that the calculations in the incremental cost file are accurate. And then I believe I have your permission to report them as I have them in the table I pasted below, correct?

Thanks!

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**From:** Lyons, John [<mailto:John.Lyons@avistacorp.com>]  
**Sent:** Monday, July 2, 2018 11:05 AM  
**To:** Rector, Andrew (UTC) <[andrew.rector@utc.wa.gov](mailto:andrew.rector@utc.wa.gov)>  
**Subject:** RE: [External] Incremental Cost Reporting in Staff Comments

Hello Andrew,

I'm back in the office today and was able to start and conclude jury duty this morning. They only had one big case in court this week and it was settled over the weekend, so off the hook for the rest of the week. I'm in a meeting from 1 to 2 pm and then should be back at my desk until 4 pm today.

I'll check with James in the meeting about the confidentiality of the workpapers. I think it was because of the specific amounts listed for REC sales. The table you have listed shouldn't be an issues since it is aggregated data.

Thank you,

John

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**From:** Rector, Andrew (UTC) [<mailto:andrew.rector@utc.wa.gov>]  
**Sent:** Monday, July 02, 2018 10:15 AM  
**To:** Lyons, John <[John.Lyons@avistacorp.com](mailto:John.Lyons@avistacorp.com)>  
**Subject:** [External] Incremental Cost Reporting in Staff Comments

Hi John – Hoping we can chat today about the issues we've been calling/e-mailing about. I am putting together the staff comments for the RPS report, and typically we include a table similar to the following outlining each company's incremental costs:

**Table 2: Investor-Owned Utilities' Reported Incremental Cost Percentages, 2017 and 2018**

	2017		2018	
	<i>Required Resources</i>	<i>All Resources</i>	<i>Required Resources</i>	<i>All Resources</i>
<b>Avista</b>	(0.2 %)	(0.1 %)	(0.7 %)	(0.6 %)
<b>Pacific Power</b>	0.6 %	*	*	*
<b>PSE</b>	1.1 %	1.4 %	1.4 %	1.4 %

I noticed that you filed your 2018 incremental cost template provided by the UTC as a confidential workpaper this year, whereas in previous years you had not. Is there a reason for that? Would the figures in the incremental cost file be something that can be shared in the staff comments, which are viewed by the public?

I'll give you a ring in a bit and hopefully we can connect. Thanks.

**Andrew Rector**

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