

**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*)

DENNIS STEPHENS

**ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT DS-2

Commission Staff Response to Public Counsel Data Request No. 1

May 28, 2021

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF
RESPONSE TO DATA REQUESTS

DATE PREPARED: May 13, 2021
DOCKETS: UE-200900-901/UE-200894
REQUESTER: Public Counsel

WITNESS: Aimee N. Higby
RESPONDER: Aimee N. Higby
TELEPHONE: 360-664-1312

REQUEST NO. 1:
RE: Capital Additions — Pro Forma

Please refer to the Response Testimony of Aimee N. Higby's Exhibit ANH-1T, at 34, which recommends that pro forma adjustments Avista requests for ER 2204 Substation Rebuild capital and ER 2470 Distribution Grid Modernization capital be approved because they "are consistent with the Commission's view of programmatic investments" required to qualify as pro forma adjustments.

- a) Please confirm that Staff did not specifically examine the prudence of the Company's Substation Rebuild of Distribution Grid Modernization capital spending. If this cannot be confirmed, please provide any analysis Staff completed regarding the prudence of these investments.
- b) Please confirm that Staff recommends the referenced pro-forma capital spending adjustments due solely to the fact that they qualify as pro forma adjustments, and that Staff presumes these particular capital investments to be prudent absent a specific prudence review. If these cannot be confirmed, please explain.

RESPONSE:

- a. Not confirmed. Staff reviewed the following materials to establish familiarity with the Company's Substation Rebuild and Distribution Grid Modernization capital spending and to develop a baseline for distribution system planning and grid modernization:
 1. Company provided documentation:
 - i. Exh. HLR-1T, Direct Testimony of Heather L. Rosentrater
 - ii. Exh. HLR-2, Avista's Electric Distribution Infrastructure Plan for 2020
 - iii. Exh. HLR-7, Avista's Substation Infrastructure Plan for 2020
 - iv. Exh. HLR-10, All program investments for 2018 and 2019
 - v. Exh. HLR-11, Capital Business Case documents
 - vi. Exh. KJS-1T, Direct Testimony of Kaylene Schultz
 - vii. Exh. KJS-2, Capital Additions Transfers to Plant, 2018-2020
 2. Data Request Responses
 - i. UTC Staff Data Request Nos. 89, 90, 91, 107, 145, 152, and 154
 - ii. Public Counsel Data Request Nos. 37, 105, 110, 111, 118, 119, 222, 223, 228, 256
 3. Reports:
 - i. "Utility Investments in Resilience of Electricity Systems," Berkley Lab, Report No. 11, April 2019
 - ii. "Modernizing the Electric Grid: State Role and Policy Options," National Conference of State Legislators, November 2019

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- iii. “Reimagining the Grid,” Southern California Edison, December 2020
- 4. Presentations:
 - i. “Making the Distribution Grid More Open, Efficient and Resilient,” Paul De Martini, March 26, 2015

After reviewing the materials listed above as well as others that Staff did not retain copies of, Staff did not find reason to challenge the prudence of the Company’s Substation rebuild or Distribution Grid Modernization capital spending. Staff’s assessment of whether the programs appear rational and reasonable was informed by the knowledge gained from review of the above documents.

- b. Not confirmed. Staff is not contesting the inclusion of these pro forma programmatic investments based on the documentation reviewed in the course of this proceeding and Staff’s understanding of the Commissions standards regarding pro forma capital additions.