

**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-3

Commission Staff Response to Public Counsel Data Request No. 2

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: Amy I. White
RESPONDER: Amy I. White
TELEPHONE: 360-664-1247

REQUEST NO. 2:
RE: Wildfire Plan

Please refer to the Response Testimony of Amy I. White's, Exhibit AIW-1T, at 25, which recommends that \$1.6 million of the pro forma adjustment Avista requested for Wildfire capital spending be approved, as this amount is consistent with Commission Policy regarding assets placed in service after the rate effective date.

- a) Please confirm that Staff did not specifically examine the prudence of the Wildfire capital spending Ms. White recommends be approved in the \$1.6 million pro forma adjustment. 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. Before reviewing the Wildfire Plan testimony and exhibits of Avista witnesses Howell and Andrews, Staff reviewed the following materials to establish familiarity with wildfire risks and mitigation and to develop an understanding of the norms against which to evaluate Avista's proposed Wildfire Mitigation plan:
 1. Books:
 - i. "Firestorm: How Wildfire Will Shape Our Future," Edward Struzik
Publication Information: Washington, DC: Island Press, [2017]
 - ii. "Land on Fire," Gary Ferguson Publisher: Timber Press
Date: 2017/06/21
 2. Reports:
 - i. "A Case Study of the Camp Fire-Paradise, CA," National Institute of Standards and Technology (January 2021)
 - ii. "The Camp Fire Public Report-A Summary of the Camp Fire Investigation," Butte County (CA) District Attorney's Office (June 16, 2020).
 - iii. "Fire Storm '91," National Fire Protection Association (NFPA) in cooperation with the Washington State Department of Natural Resources (DNR).

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- iv. "20-Year Forest Health Strategic Plan-Eastern Washington", Washington State Department of Natural Resources
 - v. "Fire Season Summary-A Review of Season Activity, DNR's Fire Program, and Our Major Accomplishments," Washington State Department of Natural Resources (2019)
 - vi. "Public Safety Power Shutoff Policies and Procedures," Pacific Gas and Electric (August 2020)
 - vii. "Utility Costs and Affordability of the Grid of the Future: An Evaluation of Electric Costs, Rates, and Equity Issues Pursuant to P.U. Code Section 913.1," California Public Utilities Commission (February 2021).
3. Articles
- i. "Composite Poles: Proving Their Worth," Kevin C. Coates, *Electrical Line Magazine* (January/February 2009).
 - ii. "Climate Risks are Accelerating. Here's what Duke, PG&E and 16 other utilities expect to pay," *Utility Dive Magazine*, (11/18/2020).
 - iii. "Utility Extinguishes Risk for Pole-Top Fires," *Transmission and Distribution World*, (1/27/2014).
 - iv. "Legislature unites in support of massive cash infusion to step up firefighting, improve forests and secure communities near the fire lines," *Investigate NW* (April 2021).
 - v. "PGE, Pacific Power warned of shortcomings ahead of February storms," KATU staff (3/31/2021).
 - vi. "Climate Change Ravaged the West with Heat and Drought Last Year; Many Fear 2021 Will Be Worse," Judy Fahys, *Inside Climate News* (1/31/2021).
 - vii. "Longer, More Frequent Droughts Hit Western US," Rose Brandt, *Futurity* (April 2021).
 - viii. "It's Wildfire Season in California and Utilities Want to Tamp Down Their Liabilities," Sophie Quinton, *Stateline*, (6/7/2018).
 - ix. "Billion-Dollar Disasters: The Costs, In Lives and Dollars, Have Never Been So High," Judy Fahys, *Inside Climate News* (12/29/2020).
 - x. "Why utilities need advanced weather analytics for vegetation management, now more than ever," Rob Boucher *Business Operations* (10/22/2020).

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- xi. “Transforming Predictive Vegetation Management with Advanced Analytics,” IBM whitepaper, (2019).
 - xii. “As PG&E Pleads Guilty to 84 Deaths in Camp Fire, Report Says It Put Profits Over Safety,” Michael Liedtke and Janie Jar, Associated Press (6/16/2020).
 - xiii. “Carlton Complex Fire,” Jim Kershner, HistoryLink.org, (12/10/2014).
 - xiv. “PG&E outlines \$6 billion in spending on wildfire safety and grid upgrades over two years,” Julie Johnson, *The Press Democrat*, (2/8/2021).
 - xv. “Wildfires pushed PG&E into bankruptcy. Should other utilities be worried?” Kavya Balaraman, *Utility Dive Magazine*, (11/19,2020).
 - xvi. “Federal judge considers ordering California utility to turn power off more often,” Joseph Choi, *The Hill*, (3/23/21).
 - xvii. “Protecting Wooden Power Line Structures from Fire,” Hubbell web site, retrieved 11/18/2020.
 - xviii. “Firestorm 1991 still burned into Spokane’s memory,” KHQ News (10/16/2016).
 - xix. “Edison has a \$3.8 Billion Plan to Cut Fire Risk,” Sharon McNary, *LAist*, (2/7/2020).
 - xx. “A ‘Time Bomb’ Sits Atop 30,000 Utility Poles in State,” David Owens, *The Hartford Courant*, (09/13/2005).
 - xxi. “Chelan PUD studies targeted power cuts to control wildfire risks,” Pete O’Cain, *Wenatchee World*, (3/4/2021).
 - xxii. “Sens. Wyden, Merkley reintroduce \$10 billion bill aimed at upgrading power line system,” Virginia Barreda, *Salem Statesman Journal* (3/11/2021).
 - xxiii. “Why utilities need advanced weather analytics for vegetation management, now more than ever,” *IBM Business Operations* (10/22/2020).
4. Miscellaneous
- i. “Decision Adopting Short-Term Actions to Accelerate Microgrid Deployment and Related Resiliency Solutions,” California Public Utilities Commission (6/17/2020).
 - ii. “Composite Utility Poles, Electrical Distribution and Transmission,” Product Brochure, Creative Pultrusions.

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- iii. Presentation, Washington State Department of Natural Resources, “Electric Utility Wildland Fire Prevention Task Force, “Wildfire Investigations-Electrical Utility Cases,” (11/15/2019).

After review of these materials and others that Staff did not keep copies of, Staff examined Avista’s proposed Wildfire Mitigation Plan. In the course of this examination, Staff reviewed Avista’s actual 2020 capital spending at the account level, which included installation of distribution reclosers; distribution line hardening; transmission construction to facilitate inspection and maintenance; and transmission hardening. Ninety-six percent of these funds were spent on distribution hardening, or, in other words, on the infrastructure closest to homes and businesses. Staff chose not to challenge the prudence of the 2020 pro forma expenses associated with the Wildfire Plan because Staff concluded, using knowledge gained from the subject matter review described above, that the plan and the associated 2020 expenditures are reasonable in light of today’s conditions and norms.

- b. Not confirmed. Staff has proposed known and measurable spending be allowed as a pro forma adjustment in accordance with Commission policy, especially the “Policy Statement on Property that Becomes Used and Useful After Rate Effective Date” as issued in Docket U-190531. Staff did so after its review of Avista’s Wildfire Plan, which is discussed above.