

Exhibit No. ____ (Exh. EDH-4)
Dockets UE-190334/UG-190335/UE-190222
2019 Avista General Rate Case
Witness: Ezra D. Hausman, Ph.D.

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

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

Respondent.

**DOCKETS UE-190334, UG-190335,
and UE-190222 (*Consolidated*)**

**EXHIBIT EDH-4 TO THE
RESPONSE TESTIMONY OF
EZRA D. HAUSMAN, PH.D.
ON BEHALF OF SIERRA CLUB**

October 3, 2019

**AVISTA CORPORATION
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	IDAHO	DATE PREPARED:	08/23/2017
CASE NO.:	AVU-E-17-01 / AVU-G-17-01	WITNESS:	Scott Kinney
REQUESTER:	Sierra Club	RESPONDER:	Tom Dempsey
TYPE:	Production Request	DEPARTMENT:	Thermal Operations
REQUEST NO.:	Sierra Club-1-5	TELEPHONE:	(509) 495-4960

REQUEST:

Reference Exhibit No. 4 (Kinney), Schedule 3 pages 90-91. Section 1.1 states:

“Ultimately, the business plan is approved in accordance with the Ownership and Operation Agreement for units 3&4 that six companies are party to.”

- a. Provide the currently applicable Ownership and Operation Agreement.
- b. If different than (a), provide the Ownership and Operation Agreement in effect at the time the Colstrip 3&4 Capital Projects at issue in Avista’s application were approved by the owners.
- c. Describe Avista’s understanding of how the decision to include a capital project in the business plan works in practice.
- d. Did Avista raise any concerns or vote “no” on the Colstrip 3&4 Capital Projects at issue in this application? If so, please provide any record of those objections or concerns.
- e. Did any other Colstrip owner raise any concerns of vote “no” on the Colstrip 3&4 Capital Projects at issue in this application? If so, please provide any record of those objections or concerns.
- f. Has Avista ever voted “no” or otherwise not approved an individual capital project? If so, please describe when such a vote occurred and whether the capital project was ultimately included in the business plan.

RESPONSE:

Please see Avista's response 1-5C, which contains **TRADE SECRET, PROPRIETARY** or **CONFIDENTIAL** information and exempt from public view and is separately filed under IDAPA 31.01.01, Rule 067 and 233, and Section 9-340D, Idaho Code.

- a. See SC_PR_1-5C Confidential Attachment A for the current Colstrip Ownership and Operation Agreement.
- b. The current Colstrip Ownership and Operation Agreement provided in question SC 1-5a was in effect at the time the projects included in Avista’s application were approved.
- c. Engineering, equipment condition assessment, and all other daily operational activities and capital planning are provided by Talen as operator of Colstrip 3&4. The following is a general description of Talen’s process:

After the first of a given year, Talen updates the existing capital plan to include projects carried forward from a prior year. It also adds in all newly proposed capital projects

that were not part of the prior year's 2 year projection. Talen's management team vets all of the projects to ensure that the projects that are included as proposed capital projects are justified and prioritized and included based on a financial analysis or are required for environmental, regulatory, or safety reasons.

- d. Avista didn't vote "no" on any of the Colstrip 3&4 projects included in the rate case application. With respect to projects occurring in 2018 and beyond, no such approval process has started yet- with the exception of those projects that are multiyear projects starting in 2017 or prior that continue on into 2018 and beyond.
- e. As a matter of general practice, Avista does not maintain records of other companies' voting positions.
- f. **Objection:** Avista objects to this data request on the ground that it does not include any defined timeframe and, therefore, the request is overly broad and unduly burdensome. Without waiving its objections, Avista provides the following response.

Avista doesn't maintain any formal documentation regarding previous individual project approval discussions. If a project that Talen proposed was rejected by the committee it would be eliminated from the budget. With respect to an instance where Avista objected to a project that was ultimately included in the budget, we do not recall an instance at this time.