

Exh. DCG-12
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. 110 – Colstrip 2021 Budget

April 21, 2021

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	02/10/2021
CASE NO.:	UE-200900 & UG-200901	WITNESS:	Jason Thackston
REQUESTER:	UTC Staff	RESPONDER:	Steve Wenke
TYPE:	Data Request	DEPT:	GPSS
REQUEST NO.:	Staff – 110C	TELEPHONE:	(509) 495-4197
		EMAIL:	steve.wenke@avistacorp.com

SUBJECT: Colstrip – Talen Budget

REQUEST:

Please provide a date by which Avista expects that Talen and the other Colstrip owners will come to an agreement over the 2021 budget for Colstrip Units 3 & 4. Please provide an update on any current negotiations and/or ongoing arbitration with any other Colstrip owner(s) related to the budget, closure, exchange of ownership shares, or sale of Colstrip Units 3 and/or 4. Summarize the nature of the controversy which has prevented the owners and Talen from approving the 2021 Colstrip budget.

RESPONSE:

The attachments provided with Staff-DR-110C are **Confidential per the Protective Order in UTC Dockets UE-200900 and UG-200901**.

- a) As of this time, it is not clear when there will be an approved budget for 2021 for Colstrip.
- 1) Since the previous Staff-DR-051 response was written four weeks ago, the owners have agreed on a partial capital budget for the upcoming overhaul and subsequent effects to the maintenance expenses associated with the overhaul. Additionally, the owners have approved parts of a few other key capital projects. These proposals and approvals are summarized in the document below. This does not present a full capital or O&M budget for 2021.

Staff-DR-110C Confidential Attachment A - 210208 Colstrip Budget Scorecard.xlsx

- 2) There currently is no clear path forward to get an agreement for a 2021 O&M budget other than the owners continuing to work collaboratively with the other operator and the other owners. It is anticipated that there will be some discussions on the O&M budget forthcoming. A more detail explanation on the initial proposed O&M has been circulated by Talen but no proposals or responses have been made on that explanation. This is included as an attachment here.

Staff-DR-110C Confidential Attachment B - Budget Discussion Slides_2021-02-02.pdf

- b) As stated in the previous Staff-DR-058, Avista continues to work with the other co-owners on the future of Colstrip Units 3 and 4. That being stated, there are no negotiations or arbitrations ongoing with any other Colstrip owner related to budget, closure, exchange of ownership shares or sale of Colstrip Units 3 and/or 4.

- c) The nature of the issue is that several of the owners, including Avista have significantly challenged the plant operator to reduce the budgets from its original budget proposal. This is an effort to reduce the expense of this plant and ultimately expense to customers. This is highlighted in the documents below that show the initial proposal by Talen and the subsequent request made by four of the owners to significantly reduce the 2021 budgets.

Staff-DR-110C Confidential Attachment C Part 1 -200901 Wheatly - Budget Transmittal.pdf

Staff-DR-110C Confidential Attachment C Part 2 - Colstrip Units 3&4 2021 Proposed Operating Budget-letter.pdf

Staff-DR-110C Confidential Attachment C Part 3 - Colstrip Units 3&4 2021 Proposed Operating Budget.pdf

Staff-DR-110C Confidential Attachment D Part 1 - 200922 Faist - Executive Budget Ask.pdf

Staff-DR-110C Confidential Attachment D Part 2 - 2021 Colstrip Budget- Executive Request.xlsx

See also Avista's response to Staff-DR-126 and 127.