

**Exh. BAE-6
Dockets UE-240006/UG-240007
Witness: Betty A. Erdahl**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

AVISTA CORPORATION,

Respondent.

**DOCKETS UE-240006 & UG-240007
(Consolidated)**

EXHIBIT TO

TESTIMONY OF

BETTY A. ERDAHL

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Avista's Response to UTC Staff Data Request No. 77

July 3, 2024

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	03/08/2024
CASE NO.:	UE-240006 & UG-240007	WITNESS:	Jason Thackston
REQUESTER:	UTC Staff	RESPONDER:	Annette Brandon
TYPE:	Data Request	DEPT:	Power Supply
REQUEST NO.:	Staff – 077	TELEPHONE:	(509) 495-4324
		EMAIL:	Annette.brandon@avistacorp.com

SUBJECT: Equity

REQUEST:

In the direct testimony of Jason R. Thackston, Exh. JRT-1T at page 19, lines 11 through 13, and page 20, lines 13 through 18, Mr. Thackston testifies that Phase I of Avista’s Equitable Business Planning project will “focus[] primarily on change management through commitment, awareness, and education.” Please provide:

- a. the metrics Avista will use to measure commitment,
- b. the metrics Avista will use to measure awareness,
- c. a narrative description of Avista’s plans to educate its employees,
- d. a narrative description of what Avista plans to include in any business cases as a result of Phase I, and
- e. the metrics Avista will use to determine whether Phase I was successful, especially given that Avista believes that “it is not necessary to finalize a process or strategy” as a result of Phase I.

RESPONSE:

- a) The Company is required to make a compliance filing no later than December 31, 2024 as to how the Company plans to incorporate equity into its Capital business planning process. The Company is not required to have completed the plan, nor developed any actionable metrics. Phase I is the phase by which the Company will gather the information needed, begin to “test” theories in application, and begin considering the process and methodologies to be formalized throughout the Company in a more structured manner beginning in 2025.

However, awareness, commitment and education are the foundational processes involved in recognition justice and procedural justice. Essentially, by using the Environmental Health Disparities Map, in combination with the Justice40 map, the Company is already using Vulnerability Metrics. A Vulnerability metric is a defined metric for identifying if a customer is a combination of exposure, sensitivity, or adaptive capacity. The Department of Health has developed these metrics for us by ranking census tracts in Avista’s service territory in a range of 1-10. The Justice40 map has done the same by identifying census tracts as disadvantages. Both maps have been overlaid onto the Avista GIS system. These metrics may be monitored over time.

In the context of recognition justice, awareness and commitment play important roles in promoting recognition and respect for all customers. Recognition justice involves acknowledging and affirming the importance of all customers, regardless of unique circumstances or socioeconomic characteristics.

Awareness is a crucial aspect of recognition justice as it involves understanding and recognizing the existence and experiences of different customers. It requires acknowledging the historical and cultural factors that have led to the differences in access or opportunity to benefit from the energy system. By raising awareness about the experiences, contributions, and struggles of different customers communities, recognition justice aims to challenge assumptions and facilitates awareness of circumstances of different customers. Commitment is another key element of recognition justice. It involves a dedication to actively promoting and valuing individuals. Commitment requires individuals and institutions to aim for equitable outcomes. This includes advocating for policies and practices that promote inclusivity and diversity, and representation.

Both awareness and commitment are embedded in recognition justice as they work together to foster a culture of respect, understanding, and inclusivity. By increasing awareness and fostering commitment, recognition justice seeks to create a society where all individuals are recognized, valued, and afforded equal opportunities and rights, regardless of their social identities. Please see the Company's response to Staff-DR-076 on the development of metrics.

- b) Please see the Company's response to part (a)
- c) Education is both internal and external as we continue to work to educate our customers – as is evidenced by the recently completed work on rate making now available on Avista's webpage. As customers are more educated and understand how their rate making works, we are being more transparent in our efforts (procedural equity). The ultimate favorable outcome would be additional trust and credibility through collaboration with those customers as they seek to participate in areas where they would like to provide input. Employee education will be part of the continuing change management process. This process is already beginning with the Executive and Director test case, and discussions with the project management team as well as those areas in the Company that are being currently impacted directly by equity questions. We anticipate more formalized change management processes for education in the compliance filing.
- d) No plans will be made to incorporate changes into business cases in Phase I. Phase II will begin the formal documentation in business cases.
- e) As previously mentioned, Phase I is simply the preliminary steps taken to aid in a successful implementation of equitable business planning in Capital Projects. Phase I will also provide more insight into how long the entire process may take and what steps will be measurable and actionable throughout that process. Metrics will ultimately be identified with the help of the project team and steering committee and reviewed with the Equity Advisory Group prior to finalization. As noted in response to Staff-DR-076 the Company acknowledges and understands the importance of process and performance metrics in monitoring and ensuring success in implementing equity in Company processes. However, intention is required in order to ensure metrics accurately reflect what is important to customers in our communities. A process for developing and defining metrics will be included as part of the formalized Equitable Business Planning process to be filed no later than December 31, 2024.