

AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	06/16/2015
CASE NO.:	UE-150204 & UG-150205	WITNESS:	Don Kopczynski
REQUESTER:	Public Counsel	RESPONDER:	Larry La Bolle
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	PC – 065 Revised	TELEPHONE:	(509) 495-4710
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REQUEST:

Please provide all presentations and information provided to the Board of Directors, as well as any related meeting minutes, regarding Avista's AMI project. Please reference where in the materials the following items are discussed:

- a. Costs and risks associated with smart meter deployment.
- b. Need for the project.
- c. Alternatives to the proposed project, including maintaining the status quo.
- d. A decision that the Company would seek recovery of costs for this program in the 2015 GRC.

If items a-d were not discussed with the Board, please explain.

RESPONSE:

On September 3, 2014, a presentation was made to the Company's Finance Committee of its Board of Directors regarding the Washington advanced metering program. The pertinent presentation is provided as PC_DR_065 Attachment A. The pertinent portion, page 2 of the September 3, 2104 Board of Directors meeting minutes, are provided below:

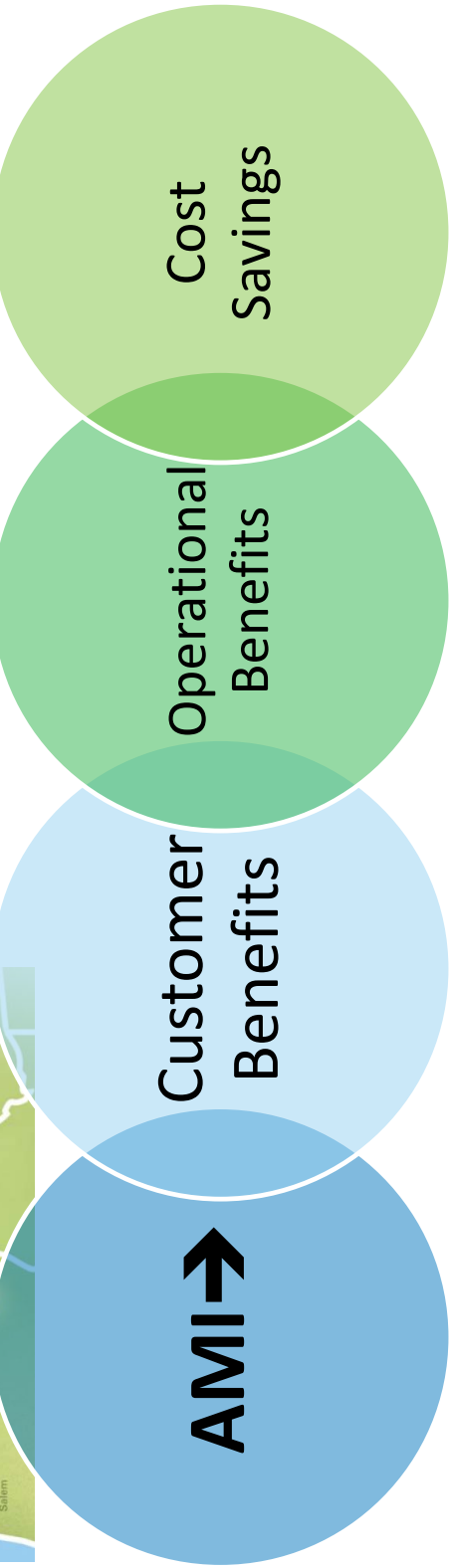
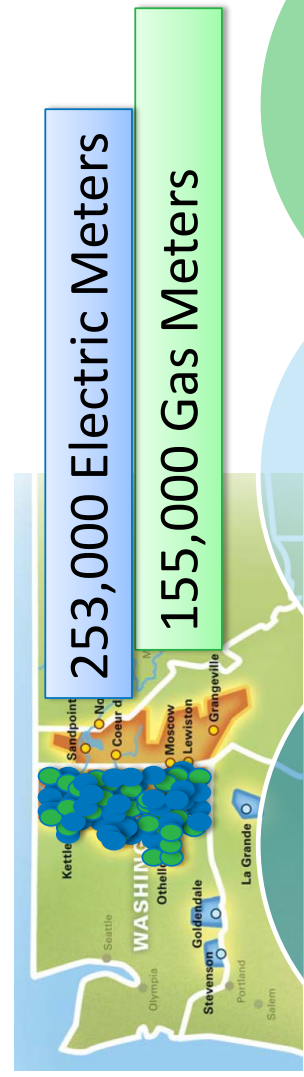
[Mr. Kopczynski updated the Board on system modernization and AMI. Throughout the presentation, discussion took place and management responded to directors' comments and questions.]

- a. The preliminary expected capital investment was provided along with a preliminary estimate of the annual operating costs.
- b. The objectives of the Project and its expected benefits were discussed as part of the presentation, pages 2 and 3.
- c. The costs and benefits of the Project are based on a comparison with the alternative of not implementing the system.
- d. The project was approved as part of the Finance Committee's approval of the Company's annual capital expenditure plan, and planned capital expenditures are appropriately included in the Company's general rate case filing.

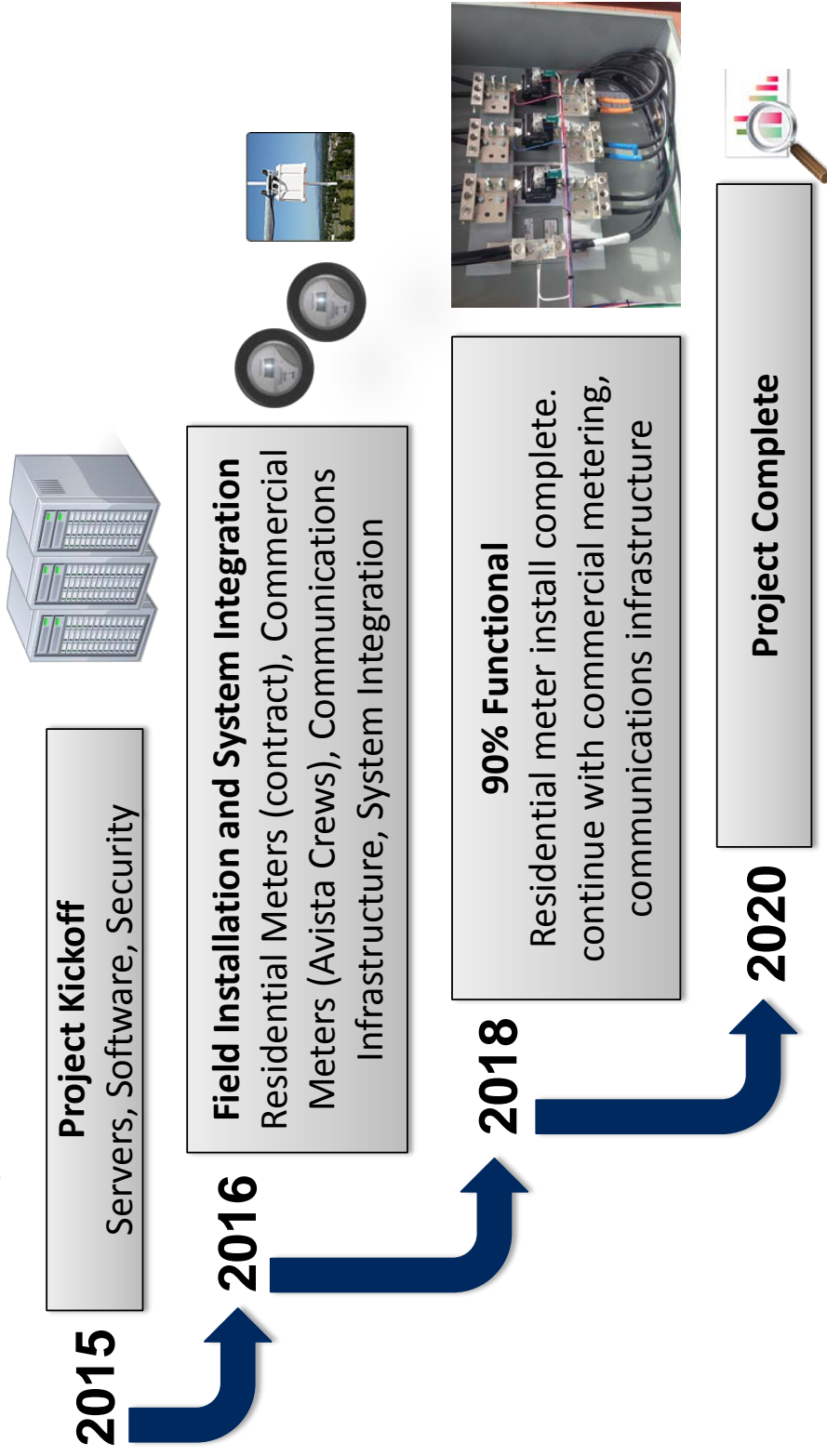
Advanced Metering Infrastructure (AMI)



Proposed Washington AMI Project



AMI Project Timeline



AMI Customer Benefits

Web Portal

Customers will have access to their interval energy usage data



Text Alerts

Proactively communicate energy usage trends throughout the month



Open/Close/Transfer of Service

Eliminate usage estimates; speed up reconnect process



Privacy

Reduced Avista employees on customer property




AMI Operational Benefits

Meter Reading
Migration from manual meter reading




Remote Disconnect
Reduced Truck Rolls, employee safety



Voltage Alarming
Increased energy savings due to conservation voltage reduction



Outage Management
Better information for dispatchers, improved response times



AMI Washington Financial Summary

Capital Costs	Cost
Electric & Gas Meters	\$58.3 M
Field Area Network	\$30.1 M
Wide Area Network	\$19.2 M
Head End Systems	\$9.9 M
AFUDC	\$13.5 M
Total Capital Costs	\$131 M

Annual O&M Benefits	Benefit
Meter Reading	\$4.0 M
Field Services	\$2.9 M
Revenue Protection	\$1.4 M
Energy Efficiency	\$1.3 M
Other	\$0.9 M
Total O&M Benefits	\$10.5 M

Annual O&M Costs	Cost
Labor	\$1.4 M
Software, Support, Other	\$4.1 M
Total O&M Costs	\$5.5 M

Net O&M Savings \$5.0 M

