

**Exh. DCG-14
Dockets UE-170485/UG-170486
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-170485 and
UG-170486 (*Consolidated*)**

**EXHIBIT TO
TESTIMONY OF**

David C. Gomez

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Avista's Response to Staff DR No. 201

October 27, 2017

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/13/2017
CASE NO:	UE-170485 & UG-170486	WITNESS:	Clint Kalich
REQUESTER:	UTC Staff - Gomez	RESPONDER:	James Gall
TYPE:	Data Request	DEPT:	Energy Resources
REQUEST NO.:	Staff 201C	TELEPHONE:	(509) 495-2189
		EMAIL:	James.gall@avistacorp.com

REQUEST:

Referring to the values in the Resource Table in the AURORA model project file used in this case and the AURORA project files from the last two General Rate Cases, please explain how Variable and Fixed O&M values were calculated in Table 2 below. Provide all analysis, workpapers, formulae and any other materials and documents which Avista relied on to calculate these values.

Please also provide an explanation as to why most of these values have not been updated in the last two cases.

RESPONSE:

The attachment provided with Staff_DR_201C is **Confidential per Protective Order in UTC Dockets UE-170485 and UG-170486.**

Fixed O&M values are not used in the modeling of power supply costs in this case. They are used only for long-term modeling in IRPs. Because we use the same model for rate filings as we do for long-term planning, fixed O&M figures still reside in our rate case files. The values are derived from FERC Form 1 data.

As for variable O&M, these values are entered in 2012 dollars (the economic base year in the model set by the vendor), and are escalated for inflation by the model. Variable O&M come from the Company’s Energy Position Report and have not been updated; the specific Energy Position Report from which these values were obtained is not known. However, actual variable O&M costs included in this case’s power supply expenses are not derived from Aurora modeling; instead actual historical values are included in the case.

The table below presents filed variable O&M in 2012 dollars, 2018 dollars, and 2019 dollars from the filed case. Also below is the average VOM prices for 2018/19 period from the January 3, 2017 Energy Position Report. The calculations for these estimates is included in file Staff_DR_201C Confidential Attachment A.

	Coyote Springs 2	Lancaster	Boulder Park	Kettle Falls CT	Rathdrum	Northeast	Kettle Falls
Filing 2012 \$	2.91	2.02	5.61	3.02	1.01	3.02	2.30
2018 \$	3.21	2.23	6.18	3.33	1.11	3.33	2.54
2019 \$	3.60	2.50	6.93	3.73	1.25	3.73	2.84
1/3/2017 Energy Position Report	1.81	2.13	5.62	3.03	1.02	3.00	3.05