

AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	05/10/2012
CASE NO:	UE-120436 & UG-120437	WITNESS:	Don Kopczynski
REQUESTER:	Public Counsel	RESPONDER:	Bryan Cox
TYPE:	Data Request	DEPT:	Strategic Projects
REQUEST NO.:	PC – 065	TELEPHONE:	(509) 495-8305
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REQUEST:

Please provide the following regarding the consultant retained two years ago to independently look at opportunities for Avista to work more efficiently and cost-effectively – as reference at page 4 of Mr. Scott Morris' direct testimony:

- a. Engagement letter regarding all work performed from inception of engagement to date.
- b. Contract(s) for all services performed from inception of engagement to date.
- c. All draft and final reports/studies produced by the consultant.
- d. A listing of all efforts and process changes undertaken as a result of any recommendations made, stating with specificity what was undertaken and when implementation occurred.
- e. Any follow up studies or reports prepared that analyze or describe/summarize the results of changes/process improvements undertaken.
- f. Total cost for the consultant charged to electric operations, gas operations, and non-utility operations by month by FERC account for the period since inception of the engagement to date.

Rate treatment currently, or previously, being requested or previously afforded such consultant costs.

RESPONSE:

- a. Please see PC_DR_065 Attachment A
- b. Please see PC_DR_065 Attachment B
- c. Please see Company response to PC_DR_040
- d. Please see PC_DR_065 Attachment C
- e. Please see PC_DR_065 Attachment D

f. The total cost for consultant charged by month by FERC account are as follows:

FERC	Jul-10	Oct-10	Nov-10	Apr-11	May-11	Jul-11	Aug-11	Apr-12	Grand Total
923000	\$1,012,685	\$979,153	\$987,856	\$129,432	\$733,333	\$733,333	\$733,334	\$140,641	\$5,449,767

Improvement Area	Area	Implementation Timeframe
Enterprise Technology - optimization of sourcing between employee and outsourced services	Enterprise Technology	Q42011
Enterprise Technology - use of new planning process to prioritize technology requests and manage demand from business users	Enterprise Technology	Q42011
Metrics dashboards for executives - connected to strategy	Integrated Measurement	Q42011
Capital allocation process	Integrated Planning	Q32011
Capital management - designed new processes to review business case performance of capital	Integrated Planning	Q22012
Activity planning - improved planning process to provide more cost transparency and better integration between departments	Integrated Planning	Q32012
Category management - adjustment of supply chain processes and roles/responsibilities to generate more value with more strategic sourcing practices.	Supply Chain	Q32011
Inventory management - deployed new inventory management model to optimize stock levels.	Supply Chain	Q42011
Fleet utilization - improving overall utilization of fleet vehicles	Work Management	Q22011
Prompt start - focus on improving crew productivity by reducing time to first work of the day	Work Management	Q22011
First visit resolution - focus on completing jobs on first visit to improve productivity	Work Management	Q22011
Scheduling improvements - focused on providing customer requested service dates for crew work	Work Management	Q42011
Estimating improvements - improving ease of generating estimates and providing actuals for comparison	Work Management	Q22012
Project management - developing consistent project management methodology	Work Management	Q42011
Created new asset management department to focus on identifying programmatic changes to asset acquisition, operation and maintenance to optimize life-cycle costs and reliability for customers	Asset Management	Q22011
Expanded asset management to gas distribution in 2011. Developed plastic pipe replacement program	Asset Management	Q22011
Expanded asset management to transmission in 2012.	Asset Management	Q42012

PC DR 65, Attachment C.