**AVISTA CORP.**

### RESPONSE TO REQUEST FOR INFORMATION

# JURISDICTION: WASHINGTON DATE PREPARED: 09/27/2017

# CASE NO.: UE-170485 & UG-170486 WITNESS: Elizabeth Andrews

# REQUESTER: UTC Staff - Huang RESPONDER: Annette Brandon

# TYPE: Data Request DEPT: State & Federal Regulation

# REQUEST NO.: Staff – 249 TELEPHONE: (509) 495-4324

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**REQUEST:**

Referring to Elizabeth Andrews’ workpapers at page 2.15-01 for Adjustment 2.15, Restate Incentives, the 2016-total actual incentive payout to Non-Executive officers was $11,329,869. According to Avista’s response to Staff Data Request No. 64, however, the 2016-total actual incentive payout to Non-Executive officers was $9,597,784. Please explain the contradiction in the total incentive payout for non-executive officers in 2016 and reconcile the difference.

**RESPONSE:**

The Non-Executive Officer incentive compensation amount of $11,329,869 was the accrual (expense) amount for the calendar year 2016. This amount represents both the incentive accrual and the payroll tax accrual.

The Company’s response to Staff\_DR\_064 requested the following:

“Please provide both the targeted incentive amounts established by human resources and the actual incentive-based compensation paid-out to Non-Executive Officers and Executive Officers in each year from 2011 through 2016.” (emphasis added)

The amount actually paid out to employees, established by human resources, does not include payroll taxes (as noted in cell A5 and A6 of workpaper in Staff\_DR\_064 Attachment A). In addition, post-closing manual adjustments have been made for a variety of reasons such as pro-rated job changes, union/non-union transfers, etc.

The following is a reconciliation between the amounts provided in Workpaper 2.15-01 for Adjustment 2.15 and the Company’s response to Staff\_DR\_064:

|  |  |
| --- | --- |
| **Description** | **Amount $** |
| **Actual Incentive Payout** | **$ 9,597,784** |
| Year-end Payroll Tax Accrual | $ 1,052,118 |
| Payroll Tax True-Up to Actual | $ 528,927 |
| Misc. (pro-rated job changes, union/non-union transfer, etc.) | $ 151,040 |
| **Incentive Compensation Expense** | **$11,329,869** |