

Exh. JH-7
Dockets UE-170485/UG-170486
Witness: Joanna Huang

**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**

Joanna Huang

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Avista's Response to Staff Data Request No. 64, 227 and 249

October 27, 2017

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	08/22/2017
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 – 064	TELEPHONE:	(509) 495-4324
		EMAIL:	annette.brandon@avistacorp.com

REQUEST:

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. Please itemize the annual incentive-based amounts by the following categories as shown in Elizabeth Andrews' workpaper page 2.15-01:

- Capital
- Non-Operating
- Operating
- Other

RESPONSE:

Please see Staff_DR_064 Attachment A for target and actual incentive compensation by report category (capital, non-operating, etc.) for 2011-2016.

Please see the Company's response to Staff_DR_019 for a full explanation of the setting of Executive Officer Short Term Incentive Compensation.

Please see the Company's response to Staff_DR_017 for additional information regarding Non-Executive Officer Short Term Incentive Compensation.

2011-2016 Incentive Compensation by Employee Group
Target and Incentive for Plan Year

Does not include payroll tax
Source: Human Resources

	Non-Executive			Executive		
	%	Target	Actual	%	Target	Actual
2011	37%	\$ 6,894,011	\$ 2,578,313	89%	\$ 2,079,950	\$ 1,847,025
Capital		\$ -	\$ -			
Non-Operating		\$ -	\$ -			
Operating		\$ 6,894,011	\$ 6,894,011			
Other		\$ -	\$ -			
2012	99%	\$ 7,244,373	\$ 7,147,282	41%	\$ 2,105,140	\$ 853,424
Capital		\$ -	\$ -	Operating		\$ 853,424
Non-Operating		\$ -	\$ -	Non-Operating		\$ -
Operating		\$ 7,147,282	\$ 7,147,282			
Other		\$ -	\$ -			
2013	126%	\$ 9,415,611	\$ 11,880,541	124%	\$ 2,146,700	\$ 2,652,365
Capital		\$ -	\$ 2,488,973.57	Operating		\$ 1,591,419
Non-Operating		\$ 180,583.89	\$ 180,583.89	Non-Operating		\$ 1,060,946
Operating		\$ 6,938,235.99	\$ 6,938,235.99			
Other		\$ 2,272,747.10	\$ 2,272,747.10			
2014	149%	\$ 7,595,672	\$ 11,317,692	150%	\$ 2,329,406	\$ 3,494,016
Capital		\$ -	\$ 2,634,758.99	Operating		\$ 1,164,703
Non-Operating		\$ 183,346.19	\$ 183,346.19	Non-Operating		\$ 2,329,313
Operating		\$ 6,668,384.13	\$ 6,668,384.13			
Other		\$ 1,831,202.42	\$ 1,831,202.42			
2015	119%	\$ 8,400,998	\$ 10,002,519	86%	\$ 2,746,488	\$ 2,356,908
Capital		\$ -	\$ 2,409,606.92	Operating		\$ 1,284,491
Non-Operating		\$ 153,038.55	\$ 153,038.55	Non-Operating		\$ 1,072,417
Operating		\$ 6,066,528.01	\$ 6,066,528.01			
Other		\$ 1,373,345.91	\$ 1,373,345.91			
2016	109%	\$ 8,768,110	\$ 9,597,784	136%	\$ 2,620,026	\$ 3,572,530
Capital		\$ -	\$ 2,900,617.05	Operating		\$ 1,138,764
Non-Operating		\$ 53,031.51	\$ 53,031.51	Non-Operating		\$ 2,433,766
Operating		\$ 5,810,020.64	\$ 5,810,020.64			
Other		\$ 834,114.80	\$ 834,114.80			

**actual incentive compensation may or may not be slightly different than accrued incentive compensation due to timing issues.

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/19/2017
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 – 227	TELEPHONE:	(509) 495-4324
		EMAIL:	annette.brandon@avistacorp.com

REQUEST:

RE: Avista's Data Response to Staff No. 064

According to Avista's response to Staff DR No. 064, the total targeted incentive payout to non-Executive for 2011 is \$6,894,011, the total annual payout for 2011 is \$2,578,313, and the total payout for the operating portion for 2011 is \$6,894,011. Please explain how and why the total payout for the operating portion is greater than the annual total payout.

RESPONSE:

Please see Staff_DR_227 Attachment A for a revised Staff_DR_064 Attachment A which correctly allocates the total actual Non-Executive Incentive payout of \$2,578,313 to Operating accounts. The original data request inadvertently reflected the "Target" Payout for 2011.

2011-2016 Incentive Compensation by Employee Group
 Target and Incentive for Plan Year
 *correction of Staff_DR_065 Attachment A

Does not include payroll tax
 Source: Human Resources

	Non-Executive		Executive	
	%	Actual	Target	Actual
2011	37%	\$ 6,894,011	\$ 2,079,950	\$ 1,847,025
Capital		\$ 2,578,313		
Non-Operating		\$ -		
Operating		\$ -		
Other		\$ 2,578,313 *		
2012	41%	\$ 7,147,282	\$ 2,105,140	\$ 853,424
Capital		\$ -		\$ 853,424
Non-Operating		\$ -		
Operating		\$ 7,147,282		
Other		\$ -		
2013	124%	\$ 11,880,541	\$ 2,146,700	\$ 2,652,365
Capital		\$ 2,488,973.57		\$ 1,591,419
Non-Operating		\$ 180,583.89		\$ 1,060,946
Operating		\$ 6,938,235.99		
Other		\$ 2,272,747.10		
2014	150%	\$ 11,317,692	\$ 2,329,406	\$ 3,494,016
Capital		\$ 2,634,758.99		\$ 1,164,703
Non-Operating		\$ 183,346.19		\$ 2,329,313
Operating		\$ 6,668,384.13		
Other		\$ 1,831,202.42		
2015	86%	\$ 10,002,519	\$ 2,746,488	\$ 2,356,908
Capital		\$ 2,409,606.92		\$ 1,284,491
Non-Operating		\$ 153,038.55		\$ 1,072,417
Operating		\$ 6,066,528.01		
Other		\$ 1,373,345.91		
2016	136%	\$ 9,597,784	\$ 2,620,026	\$ 3,572,530
Capital		\$ 2,900,617.05		\$ 1,138,764
Non-Operating		\$ 53,031.51		\$ 2,433,766
Operating		\$ 5,810,020.64		
Other		\$ 834,114.80		

**actual incentive compensation may or may not be slightly different than accrued incentive compensation due to timing issues.

**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
		EMAIL:	annette.brandon@avistacorp.com

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