**AVISTA CORP.**

### RESPONSE TO REQUEST FOR INFORMATION

# JURISDICTION: WASHINGTON DATE PREPARED: 05/08/2014

# CASE NO: UE-140188 & UG-140189 WITNESS: Bill Johnson

# REQUESTER: Public Counsel RESPONDER: Patrick Ehrbar

# TYPE: Data Request DEPT: State & Federal Regulation

# REQUEST NO.: PC-207 TELEPHONE: (509)495-8620

EMAIL: pat.ehrbar@avistacorp.com

**REQUEST:**

Re: Avista’s Response to Public Counsel Data Request No. 89C, Attachment.

Please confirm if all REC expenses included for years 2012 and 2013 are related to REC purchases. If yes, please explain why Avista did not incur any REC sales related transaction fees (WREGIS, broker fees, etc) for REC sales in 2012 and 2013.

**RESPONSE:**

In May 2014, the Company identified additional REC expenses for 2012 and 2013 that should have been tracked in the REC deferral. Below are the system level expenses:

* 2013 - $56,645.33
  + WREGIS Fees - $45,645.33
  + Wind Study - $2,000
  + LIHI Certification - $9,000
* 2012 - $56,030.94
  + WREGIS Fees - $37,601.00
  + Broker Fees - $18,429.94

For Washington, the total expense is

2012 (PT Ratio of 65.16%) - $36,510

2013 (PT Ratio of 65.24%) - $36,955

In May 2014, the Company moved those expenses from the Energy Recovery Mechanism to the REC Deferral Mechanism in its month-end April 2014 deferral journal entries. The Company has adjusted the ERM deferral balance to reflect the decreased expense that occurred in 2012 and 2013, using the applicable final ERM sharing band for each year. Below is a summary of the REC Expense Adjustments:

