

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/28/2017
CASE NO:	UE-170485 & UG-170486	WITNESS:	Elizabeth Andrews
REQUESTER:	ICNU	RESPONDER:	Tara Knox/Don Falkner
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	ICNU – 054	TELEPHONE:	(509) 495-4325
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REQUEST:

Reference the Company's response to Staff Data Request 38, Staff_DR_038 Attachment A:

- a) For each jurisdiction listed in the attachment, please provide a copy of the Company's property tax returns for calendar year 2016.
- b) Please provide an updated copy of the referenced workpapers including values in Column "P" based on actual 2016 property taxes, rather than estimates.
- c) Please explain the purpose of the line item "HIST COST INDICATOR" corresponding to Cells "P13," "P37," and "P60," and provide documentation supporting the hardcoded values of "\$2,200,000," "\$2,098,023," and "\$3,088,000" in the respective Cells.
- d) Please explain the purpose of the line item "TAXABLE PERCENTAGE" on Row "20" including explanation of how the values on that row were derived.
- e) Please provide support for the value of "97.7962%" detailed in Cell "P20" including support for the numerator value of "1162234.576" and the denominator value of "1188424.6" used to derive that percentage.
- f) Please explain the purpose of the line item "STATE ALLOCATION %" on Rows "21," "46," and "67," and provide workpapers supporting the calculation of the values in the respective cells.
- g) Please explain why the "STATE ALLOCATION %" on Row "21" increased materially from 51.9% in 2015 actuals to 54.0% in the 2016 Estimate.
- h) Please reconcile the electric plant additions of \$310,837 in Cell "R15" of the referenced workpaper with gross electric plant additions in the workpaper "1a) PF CAP SUMMARY-WA EOP 2017 AMA Start" of \$44.4 million on a pro forma basis (See tab "E-CAP SUMMARY," Row "30").
- i) Please reconcile the Washington gas plant additions of \$66.2 million in Cell "R123" of the referenced workpaper with gross gas plant additions in the workpaper "1a) PF CAP SUMMARY-WA EOP 2017 AMA Start" of \$22.8 million on a pro forma basis (See tab "G-CAP SUMMARY," Row "27").

RESPONSE:

- a) Please see ICNU_DR_054 Attachment A. (Provided in electronic format only.)
- b) Please see ICNU_DR_054 Attachment B.
- c) The label Historical Cost Indicator is a term that more correctly means Assessed Value, depending on the state report that is referenced. The referenced values are provided by the respective State Departments of Revenue. Associated documentation is provided as ICNU_DR_054 Attachment A, see page 2 of the WA ELEC-2016 report for cell “P13”, page 6 of the ID ELEC-Orig_Revised-2016 report for cell “P37”¹, and page 5 of the MT ELEC-2016 report for cell “P60”.
- d) The TAXABLE PERCENTAGE is the ratio of the Net Taxable assessed value compared to the Net Book Value provided by the WA Department of Revenue.
- e) Please see ICNU_DR_054 Attachment A, pages 2 and 3 of the WA ELEC-2016 report.
- f) The referenced STATE ALLOCATION % values are used to show the proportion of the system taxable assessed value that pertains to each state. Documentation of the values in the referenced cells are provided in ICNU_DR_054 Attachment A, page 2 of the WA ELEC-2016 report, page 6² of the ID ELEC-Orig_Revised-2016 report, and page 25 of the MT ELEC-2016 report.
- g) Washington’s STATE ALLOCATION % is a 3 Factor calculation based on plant components, production components, and distribution components as shown on ICNU_DR_054 Attachment A, page 9 of the WA ELEC-2016 report. The Washington proportion of these items vary from year to year.
- h) There is no relationship between the electric system total 2016 estimated NET ADDITIONS TO PLANT shown in Cell “R15” of Staff_DR_038 Attachment A and the Washington jurisdictional share of 2017 Threshold Capital Additions described on page 40 of Exhibit EMA-2 and page 9 of Exhibit KKS-1T.
- i) There is no relationship between the natural gas system total 2016 estimated NET ADDITIONS TO PLANT shown in Cell “R123” of Staff_DR_038 Attachment A and the Washington jurisdictional share of 2017 Threshold Capital Additions described on page 21 of Exhibit EMA-6 and page 9 of Exhibit KKS-1T.

¹ Staff_DR_038 Attachment A Idaho values captured the revision to the original assessment by modifying the State Allocation percentage in cell P46 to result in the revised Idaho Taxable Value. Therefore the values in cells P37 and P41 do not agree with the revised assessment value components shown on the revised page 6 of ID ELEC-Orig_Revised-2016 included in ICNU_DR_054 Attachment A.

² *ibid*