

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

JURISDICTION:	Washington	DATE PREPARED:	2/11/00
CASE NO:	UE-991606		
	UG-991607	WITNESS:	Don Falkner
REQUESTER:	Staff	RESPONDER:	Don Falkner
TYPE:	Data Request	DEPT:	Rates
DUE DATE:	1/28/2000	TELEPHONE:	(509) 495-4326
REQUEST NO.:	13	FIELD AUDIT:	___ Yes <u>X</u> No

REQUEST:

Mr. Falkner states, "Some level of storm damage related expense is contained in virtually every test period...However, the storm damage costs included in injuries and damages accrual..." (Page 15)

1. How does Avista determine if a "storm damage" cost is a period versus an accrual to injuries and damages.
2. Please provide a schedule of storm damage expenses included as period costs in the years 1993 through 1998, inclusive. Please prepare a schedule by account number.
3. Please cite Avista's authority to accrue "storm damages" to a balance sheet account.
4. In the workpapers, section P, the entries for account 925.21 are static for a few months then change to a new level. Please explain the variations such as the postings for \$8,333.00 for January 1998 through July 1998, then leap to \$62,886.00 in September 1998. How are the changes determined? What are the odd amounts in the account, such as the debit posting of \$104,027.63 in August 1998. (Page 6)
5. What is the opposite side of the entries to account 925.21?

RESPONSE:

1. Avista does not make that determination. Storm damage costs are expensed as incurred. No financial accounting accruals are made to injuries and damages for storm damages.
2. Please see attached worksheets. Note that the report for 1996 includes expenditures related to Ice Storm expensed for financial accounting in 1996.
3. Avista does not have a specific Commission order authorizing such an entry and as noted in (1) above, Avista does not accrue storm damage costs to injuries and damages. Ice Storm was an uninsured event that caused major damage to the Company's distribution and transmission system. As I stated in my testimony, starting on page 15, line 23, "The Company included its intended handling of the accounting, and associated potential recovery, in its report to the Commission entitled, "Ice Storm '96 Overview—Two Months Later"
4. The entry to account 925.21 is where the financial accounting accrual for injuries and damages is supposed to be made based upon a multi-year average of claims paid. In July of 1998, it was determined that for financial accounting purposes, the expenses

WUTC	DOCKET NO. UE-991606	REJECT	<input type="checkbox"/>
	EXHIBIT # 278	W/D	<input type="checkbox"/>
		ADMIT	<input checked="" type="checkbox"/>

was under-accrued. Catch-up entries were made from August through December 1998. However, it should be noted for revenue requirement purposes, whatever level of expense is accrued for financial accounting purposes is adjusted to the 6-year average of claims paid. This calculation can be found on Don Falkner's workpapers, P3.

5. Account 228.20.

	MAIN ACCT	YTD ACTUAL

TOTALS BY U90 KMAIN	186	.00
TOTALS BY U90 KMAIN	560	9,609.05
TOTALS BY U90 KMAIN	562	2,746.76
TOTALS BY U90 KMAIN	563	10,445.70
TOTALS BY U90 KMAIN	571	9,361.92
TOTALS BY U90 KMAIN	580	897.58
TOTALS BY U90 KMAIN	582	9,546.86
TOTALS BY U90 KMAIN	583	363,569.61
TOTALS BY U90 KMAIN	584	7,618.00
TOTALS BY U90 KMAIN	585	381.33
TOTALS BY U90 KMAIN	586	1,740.97
TOTALS BY U90 KMAIN	587	1,712.49
TOTALS BY U90 KMAIN	588	8,970.42
TOTALS BY U90 KMAIN	590	8,902.15
TOTALS BY U90 KMAIN	592	3,145.60
TOTALS BY U90 KMAIN	593	518,921.56
TOTALS BY U90 KMAIN	594	24,577.65
TOTALS BY U90 KMAIN	595	161,127.37
TOTALS BY U90 KMAIN	596	1,363.72
TOTALS BY U90 KMAIN	597	357.80
TOTALS BY U90 KMAIN	598	2,077.62
TOTALS BY ICESTORM		1,147,074.16

*** END OF REPORT

	MAIN ACCT	YTD ACTUAL
TOTALS BY U90 KMAIN	560	3,385.17
TOTALS BY U90 KMAIN	562	1,016.40
TOTALS BY U90 KMAIN	563	5,089.54
TOTALS BY U90 KMAIN	571	9,798.33
TOTALS BY U90 KMAIN	580	2,165.57
TOTALS BY U90 KMAIN	582	3,414.15
TOTALS BY U90 KMAIN	583	175,263.95
TOTALS BY U90 KMAIN	584	4,438.62
TOTALS BY U90 KMAIN	586	.00
TOTALS BY U90 KMAIN	587	848.15
TOTALS BY U90 KMAIN	588	1,986.24
TOTALS BY U90 KMAIN	590	217.15
TOTALS BY U90 KMAIN	593	492,699.74
TOTALS BY U90 KMAIN	594	10,087.30
TOTALS BY U90 KMAIN	595	104,168.85
TOTALS BY U90 KMAIN	598	22,447.73
TOTALS BY ICESTORM		837,026.89

*** END OF REPORT ***

	MAIN ACCT -----	YTD ACTUAL -----
TOTALS BY U90 KMAIN	560	.00
TOTALS BY U90 KMAIN	562	953.56
TOTALS BY U90 KMAIN	563	10,841.35
TOTALS BY U90 KMAIN	571	40,332.37
TOTALS BY U90 KMAIN	580	30,369.76
TOTALS BY U90 KMAIN	582	4,308.99
TOTALS BY U90 KMAIN	583	212,858.36
TOTALS BY U90 KMAIN	584	4,388.49
TOTALS BY U90 KMAIN	586	4,015.44
TOTALS BY U90 KMAIN	587	57.05
TOTALS BY U90 KMAIN	588	9,635.84
TOTALS BY U90 KMAIN	590	2,065.67
TOTALS BY U90 KMAIN	593	1,196,804.76
TOTALS BY U90 KMAIN	594	20,044.29
TOTALS BY U90 KMAIN	595	122,771.60
TOTALS BY U90 KMAIN	597	969.31
TOTALS BY U90 KMAIN	598	29,328.67
TOTALS BY U90 KMAIN	908	119.56
TOTALS BY U90 KMAIN	920	.00
TOTALS BY U90 KMAIN	980	442.61
TOTALS BY ICESTORM		1,690,307.68

*** END OF REPORT ***

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	MAIN ACCT -----	YTD ACTUAL -----
TOTALS BY U90 KMAIN	426	9,000.00
TOTALS BY U90 KMAIN	538	401.12
TOTALS BY U90 KMAIN	553	605.18
TOTALS BY U90 KMAIN	560	.00
TOTALS BY U90 KMAIN	561	783.28
TOTALS BY U90 KMAIN	562	1,383.82
TOTALS BY U90 KMAIN	563	47,808.41
TOTALS BY U90 KMAIN	568	19,944.70
TOTALS BY U90 KMAIN	570	49,365.15
TOTALS BY U90 KMAIN	571	147,187.29
TOTALS BY U90 KMAIN	573	4,321.29
TOTALS BY U90 KMAIN	580	155,793.37
TOTALS BY U90 KMAIN	582	21,820.67
TOTALS BY U90 KMAIN	583	965,147.48
TOTALS BY U90 KMAIN	584	7,742.33
TOTALS BY U90 KMAIN	586	27,442.75
TOTALS BY U90 KMAIN	587	1,606.74
TOTALS BY U90 KMAIN	588	5,645,804.52
TOTALS BY U90 KMAIN	590	97,007.82
TOTALS BY U90 KMAIN	592	437,199.87
TOTALS BY U90 KMAIN	593	10,243,835.78
TOTALS BY U90 KMAIN	594	55,472.94
TOTALS BY U90 KMAIN	595	113,630.46
TOTALS BY U90 KMAIN	596	10,578.61
TOTALS BY U90 KMAIN	597	1,986.87
TOTALS BY U90 KMAIN	598	144,270.61
TOTALS BY U90 KMAIN	903	49.65
TOTALS BY U90 KMAIN	921	761.82

796
2082

	MAIN ACCT	YTD ACTUAL
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TOTALS BY U90 KMAIN	926	793.01
TOTALS BY U90 KMAIN	930	114,991.20
TOTALS BY U90 KMAIN	935	69,147.23
TOTALS BY U90 KMAIN	980	13,886.12
TOTALS BY U90 KMAIN	981	28,096.15
TOTALS BY U90 KMAIN	984	253.37
TOTALS BY U90 KMAIN	985	10,873.10
TOTALS BY ICESTORM		18,448,992.71

*** END OF REPORT ***

	MAIN ACCT	YTD ACTUAL
TOTALS BY U90 KMAIN	538	.00
TOTALS BY U90 KMAIN	560	.00
TOTALS BY U90 KMAIN	562	358.86
TOTALS BY U90 KMAIN	563	12,851.48
TOTALS BY U90 KMAIN	568	.00
TOTALS BY U90 KMAIN	570	.00
TOTALS BY U90 KMAIN	571	56,017.42
TOTALS BY U90 KMAIN	580	313.10
TOTALS BY U90 KMAIN	582	4,675.44
TOTALS BY U90 KMAIN	583	244,474.38
TOTALS BY U90 KMAIN	584	6,478.46
TOTALS BY U90 KMAIN	585	695.37
TOTALS BY U90 KMAIN	586	140.37
TOTALS BY U90 KMAIN	587	25,533.25
TOTALS BY U90 KMAIN	588	10,100.48
TOTALS BY U90 KMAIN	590	4,050.60
TOTALS BY U90 KMAIN	591	.00
TOTALS BY U90 KMAIN	592	.00
TOTALS BY U90 KMAIN	593	1,006,614.55
TOTALS BY U90 KMAIN	594	27,219.70
TOTALS BY U90 KMAIN	595	117,214.55
TOTALS BY U90 KMAIN	596	164.98
TOTALS BY U90 KMAIN	597	336.80
TOTALS BY U90 KMAIN	598	100,320.99
TOTALS BY U90 KMAIN	921	.00
TOTALS BY U90 KMAIN	923	.00
TOTALS BY U90 KMAIN	981	.00
TOTALS BY		1,617,560.78

Storm_Damage_1998.XLS

Sum of TRAN_AMT	
ACCT_MAIN	Total
562	1,763.65
563	2,804.48
571	32,102.18
582	4,716.29
583	256,516.25
584	6,856.69
585	104.23
586	470.11
587	15,261.86
588	6,902.42
590	4,241.67
593	562,985.55
594	16,801.10
595	167,585.14
597	628.21
598	150,820.74
Grand Total	1,230,560.57