

**BEFORE THE**  
**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	DOCKETS UE-160228 and
TRANSPORTATION COMMISSION	)	UG-160229 ( <i>Consolidated</i> )
	)	
Complainant,	)	
	)	
v.	)	
	)	
AVISTA CORPORATION d/b/a	)	
AVISTA UTILITIES	)	
	)	
Respondent.	)	

---

**EXHIBIT NO. RRS-11C**  
**AVISTA RESPONSES TO DATA REQUESTS**  
**(REDACTED VERSION)**

**AUGUST 17, 2016**

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	05/20/2016
CASE NO.:	UE-160228 & UG-160229	WITNESS:	Tara Knox/Joe Miller
REQUESTER:	Public Counsel/Energy Project	RESPONDER:	Tara Knox/Joe Miller
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	PC/EP – 040	TELEPHONE:	(509) 495-4325/4546
		EMAIL:	tara.knox@avistacorp.com joe.miller@avistacorp.com

**REQUEST:**

With regard to the AMI-related costs that Avista seeks to include in its revenue requirement for recovery from customers in this rate case (as reflected in the testimony of Ms. Karen K. Schuh and Ms. Jennifer S. Smith), please identify how Avista has proposed to allocate those AMI-related costs (including the AMI capital and expense costs and the depreciation expense for the existing meters) for each customer class (expressed as a percentage of the total costs relating to AMI) and provide the average bill impacts associated with those AMI-related costs for each customer class for the rate effective year if the Commission adopts these revenue requirement adjustments.

**RESPONSE:**

Please see the attachment labeled “PC-EP\_DR\_040 Attachment A”.

WASHINGTON NATURAL GAS  
**AMI-Related Costs at Proposed Rate of Return**

Cost Description	Total	Sch 101	Sch 111-112	Sch 121/122	Sch 131/132	Sch 146
Meter Investment Allocation Ratio	100.00%	85.74%	12.30%	0.31%	0.16%	1.49%
Computer Software Investment Allocation Ratio	100.00%	86.92%	9.58%	0.78%	0.14%	2.58%
Communication Equipment Investment Allocation Ratio	100.00%	86.92%	9.58%	0.78%	0.14%	2.58%
AMI - Accumulated Deferred Income Tax Allocation Ratio	100.00%	79.51%	14.49%	1.30%	0.22%	4.49%
Proposed Return by Schedule	7.64%	6.71%	12.28%	11.87%	9.86%	6.81%
<b>Distribution Plant</b>						
Meters	\$ 8,339,000	\$ 7,149,629	\$ 1,025,830	\$ 25,918	\$ 13,192	\$ 124,430
Meters Accum. Depr.	\$ (278,000)	\$ (238,350)	\$ (34,198)	\$ (864)	\$ (440)	\$ (4,148)
Total AMI-Related Distribution Plant	\$ 8,061,000	\$ 6,911,279	\$ 991,632	\$ 25,054	\$ 12,752	\$ 120,282
<b>Intangible Plant</b>						
Computer Software	\$ 1,245,000	\$ 1,082,195	\$ 119,253	\$ 9,690	\$ 1,709	\$ 32,153
Computer Software Accum. Amort.	\$ (139,000)	\$ (120,823)	\$ (13,314)	\$ (1,082)	\$ (191)	\$ (3,590)
Total AMI-Related Intangible Plant	\$ 1,106,000	\$ 961,372	\$ 105,939	\$ 8,608	\$ 1,518	\$ 28,563
<b>General Plant</b>						
Communication Equipment	\$ 1,362,000	\$ 1,183,895	\$ 130,460	\$ 10,601	\$ 1,870	\$ 35,175
Communication Equip. Accum. Depr.	\$ (161,000)	\$ (139,946)	\$ (15,421)	\$ (1,253)	\$ (221)	\$ (4,158)
Total AMI-Related Communication Equip.	\$ 1,201,000	\$ 1,043,949	\$ 115,038	\$ 9,348	\$ 1,649	\$ 31,017
Accumulated Deferred Income Tax	\$ (1,365,000)	\$ (1,085,272)	\$ (197,825)	\$ (17,683)	\$ (2,992)	\$ (61,228)
Total Rate Base	\$ 9,003,000	\$ 7,831,328	\$ 1,014,784	\$ 25,327	\$ 12,927	\$ 118,634
Proposed Return on Rate Base	\$ 662,111	\$ 525,169	\$ 124,585	\$ 3,006	\$ 1,275	\$ 8,077
Tax Benefit of Interest	\$ (89,489)	\$ (77,843)	\$ (10,087)	\$ (252)	\$ (128)	\$ (1,179)
Revenue Conversion Factor	0.62000	0.62000	0.62000	0.62000	0.62000	0.62000
Rate Base Revenue Requirement	\$ 923,584	\$ 721,494	\$ 184,675	\$ 4,442	\$ 1,849	\$ 11,125
Meters Depr Exp	\$ 555,000	\$ 475,842	\$ 68,274	\$ 1,725	\$ 878	\$ 8,281
Computer Software Amort Exp	\$ 277,000	\$ 240,778	\$ 26,533	\$ 2,156	\$ 380	\$ 7,154
Communication Equipment Depr Exp	\$ 323,000	\$ 280,762	\$ 30,939	\$ 2,514	\$ 443	\$ 8,342
Net Expenses	\$ 1,155,000	\$ 997,381	\$ 125,745	\$ 6,395	\$ 1,702	\$ 23,777
Revenue Conversion Factor	0.953851	0.953851	0.953851	0.953851	0.953851	0.953851
Expense Revenue Requirement	\$ 1,210,881	\$ 1,045,637	\$ 131,829	\$ 6,704	\$ 1,784	\$ 24,927
Total AMI Related Revenue Requirement	\$ 2,134,465	\$ 1,767,130	\$ 316,504	\$ 11,146	\$ 3,633	\$ 36,052
Percentage of Total AMI Revenue Requirement	100.00%	82.79%	14.83%	0.52%	0.17%	1.69%
Total Customers Bills	1,839,887	1,807,677	31,406	324	24	456
Avg Unit Cost per Month	\$1.16	\$0.98	\$10.08	\$34.40	\$151.37	\$79.06

\*\* Reflects the updated cost of service study provided in ICNU-075S

WASHINGTON ELECTRIC  
**AMI-Related Costs at Proposed Rate of Return**

Cost Description	Total	Sch 1	Sch 11-12	Sch 21-22	Sch 25	Sch 31-32	Sch 41-49
Meter Investment Allocation Ratio	100.00%	68.47%	22.82%	5.55%	0.14%	3.03%	0.00%
Computer Software Investment Allocation Ratio	100.00%	48.89%	11.02%	23.50%	11.66%	2.82%	2.11%
Communication Equipment Investment Allocation Ratio	100.00%	54.80%	11.29%	19.78%	9.80%	2.53%	1.80%
AMI - Accumulated Deferred Income Tax Allocation Ratio	100.00%	62.57%	18.67%	11.26%	3.90%	2.90%	0.69%
Proposed Return by Schedule	7.64%	4.79%	13.82%	10.72%	7.86%	6.58%	6.90%
<b>Distribution Plant</b>							
Meters	\$ 16,949,000	\$ 11,604,348	\$ 3,867,240	\$ 941,128	\$ 23,471	\$ 512,813	\$ -
Meters Accum. Depr.	\$ (564,000)	\$ (386,150)	\$ (128,687)	\$ (31,317)	\$ (781)	\$ (17,065)	\$ -
Total AMI-Related Distribution Plant	\$ 16,385,000	\$ 11,218,199	\$ 3,738,552	\$ 909,811	\$ 22,690	\$ 495,749	\$ -
<b>Intangible Plant</b>							
Computer Software	\$ 4,613,000	\$ 2,255,472	\$ 508,461	\$ 1,083,832	\$ 537,747	\$ 130,151	\$ 97,337
Computer Software Accum. Amort.	\$ (513,000)	\$ (250,825)	\$ (56,545)	\$ (120,530)	\$ (59,802)	\$ (14,474)	\$ (10,825)
Total AMI-Related Intangible Plant	\$ 4,100,000	\$ 2,004,647	\$ 451,916	\$ 963,302	\$ 477,946	\$ 115,677	\$ 86,513
<b>General Plant</b>							
Communication Equipment	\$ 4,742,000	\$ 2,598,701	\$ 535,451	\$ 938,002	\$ 464,578	\$ 119,814	\$ 85,453
Communication Equip. Accum. Depr.	\$ (562,000)	\$ (307,986)	\$ (63,459)	\$ (111,168)	\$ (55,060)	\$ (14,200)	\$ (10,128)
Total AMI-Related Communication Equip.	\$ 4,180,000	\$ 2,290,715	\$ 471,992	\$ 826,834	\$ 409,519	\$ 105,614	\$ 75,326
Accumulated Deferred Income Tax	\$ (3,962,000)	\$ (2,479,040)	\$ (739,735)	\$ (446,292)	\$ (154,509)	\$ (114,892)	\$ (27,533)
Total Rate Base	\$ 20,703,000	\$ 13,034,521	\$ 3,922,725	\$ 2,253,655	\$ 755,645	\$ 602,148	\$ 134,306
Proposed Return on Rate Base	\$ 1,516,294	\$ 624,354	\$ 542,042	\$ 241,637	\$ 59,356	\$ 39,639	\$ 9,266
Tax Benefit of Interest	\$ (205,786)	\$ (129,562)	\$ (38,992)	\$ (22,401)	\$ (7,511)	\$ (5,985)	\$ (1,335)
Revenue Conversion Factor	0.61987	0.61987	0.61987	0.61987	0.61987	0.61987	0.61987
Rate Base Revenue Requirement	\$ 2,114,166	\$ 798,218	\$ 811,542	\$ 353,680	\$ 83,638	\$ 54,292	\$ 12,794
Meters Depr Exp	\$ 1,129,000	\$ 772,984	\$ 257,603	\$ 62,690	\$ 1,563	\$ 34,159	\$ -
Computer Software Amort Exp	\$ 1,027,000	\$ 502,140	\$ 113,199	\$ 241,295	\$ 119,720	\$ 28,976	\$ 21,670
Communication Equipment Depr Exp	\$ 1,124,000	\$ 615,972	\$ 126,918	\$ 222,335	\$ 110,119	\$ 28,400	\$ 20,255
Net Expenses	\$ 3,280,000	\$ 1,891,096	\$ 497,721	\$ 526,321	\$ 231,402	\$ 91,535	\$ 41,925
Revenue Conversion Factor	0.953638	0.953638	0.953638	0.953638	0.953638	0.953638	0.953638
Expense Revenue Requirement	\$ 3,439,460	\$ 1,983,033	\$ 521,918	\$ 551,908	\$ 242,652	\$ 95,985	\$ 43,964
Total AMI Related Revenue Requirement	\$ 5,553,626	\$ 2,781,252	\$ 1,333,460	\$ 905,588	\$ 326,291	\$ 150,277	\$ 56,758
Percentage of Total AMI Revenue Requirement	100.00%	50.08%	24.01%	16.31%	5.88%	2.71%	1.02%
Total Customers Bills	2,909,319	2,481,909	369,248	24,164	252	29,170	4,576
Avg Unit Cost per Month	\$1.91	\$1.12	\$3.61	\$37.48	\$1,294.80	\$5.15	\$12.40

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	05/20/2016
CASE NO:	UE-160228 & UG-160229	WITNESS:	Joe Miller/Patrick Ehrbar
REQUESTER:	ICNU	RESPONDER:	Joe Miller
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	ICNU – 075 Supplemental	TELEPHONE:	(509) 495-4546
		EMAIL:	joe.miller@avistacorp.com

**REQUEST:**

Please provide a narrative response describing the basis for the allocation of metering costs among rate schedules in relation to the Washington Advanced Metering Project (“Project”).

**SUPPLEMENTAL RESPONSE:**

Upon further review, the Company discovered that it had inadvertently allocated the natural gas distribution plant related AMI meter costs (pro forma adjustment 4.03 G-CAMI) similar to the allocation of all other distribution plant. The Company should have allocated the natural gas distribution plant related AMI meter costs based on the meter cost allocator (C03), consistent with the allocation described in the Company’s response to ICNU-075 for electric.

Communication and software pro forma investments related to the Advanced Metering Project did not receive any special treatment in the natural gas cost of service study provided in this case. Both communication equipment and software were allocated by the Company’s blended 4-part factor consistent with all general plant. Please note, the communication and software pro forma investments were appropriately allocated in the Company's original filing and therefore no adjustments have been made in this response.

The Company has provided a summary of the rate of return and relative rate of return at present rates as an attachment labeled “ICNU\_DR\_075 Supplemental Attachment A”. In addition, a complete electronic version of the cost of service study, reflecting the change described above has been provided as part of the attachment.

The result of this adjustment has a minor effect on the present return ratio’s provided to Company witness Ehrbar for his consideration into the proposed rate spread. The Company believes the results of this adjustment are minor and would not change the proposed rate spread in this case.

**ORIGINAL RESPONSE:**

The electric cost of service study provided in this case allocated plant related meter costs by the weighted current cost of meters in service. The weighting is determined by multiplying the current retirement unit cost of each equipment type by the number of units in service for each rate schedule. The total for each rate schedule is divided by the average number of customers to determine the average cost for the schedule. The weighted cost is the comparison of each schedule’s average cost to the lowest average cost. The weighted cost ratio is then multiplied by the number of customers in each schedule to determine the allocation factor for metering equipment. Please see Knox Electric Cost of Service work paper pages TLK-E-143 and TLK-E-

144 (work papers were provided with the Company's initial filing and a duplicate copy for your convenience was included as an attachment to ICNU\_DR\_052).

As Advanced Meters are placed in service the relative costs of the equipment providing service to each rate group are expected to be captured through this process.

Communication and software pro forma investments related to the Advanced Metering Project did not receive any special treatment in the electric cost of service study provided in this case. Communication equipment is allocated by an allocator generated within the model capturing the assignment of operating and maintenance labor expense excluding administrative and general FERC accounts. Computer software intangible plant is allocated by an allocator generated within the model capturing the assignment of tangible plant in service. As stated in my testimony the allocation methodology applied to these common plant items was derived from the methodology approved for Puget Sound Power and Light (now Puget Sound Energy) in Docket No. UE-920499.

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	04/19/2016
CASE NO.:	UE-160228 & UG-160229	WITNESS:	Heather Rosentrater
REQUESTER:	ICNU	RESPONDER:	Larry La Bolle
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	ICNU – 088	TELEPHONE:	(509) 495-4710
		EMAIL:	<a href="mailto:larry.labolle@avistacorp.com">larry.labolle@avistacorp.com</a>

**REQUEST:**

Refer to Exh. No. HLR-1T at 12:28-13:3. Please confirm that the Company will be replacing existing electric meters for all 23 Schedule 25 customers as part of the Project. If the Company cannot confirm, please identify any Schedule 25 customers which will not have existing electric meters replaced as part of the Project.

**RESPONSE:**

The company will not be replacing any schedule 25 customers' meters as part of the Washington AMI project.

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	04/28/2016
CASE NO:	UE-160228 & UG-160229	WITNESS:	Patrick Ehrbar
REQUESTER:	ICNU	RESPONDER:	Patrick Ehrbar
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	ICNU – 119	TELEPHONE:	(509) 495-8620
		EMAIL:	pat.ehrbar@avistacorp.com

**REQUEST:**

Refer to Avista’s response to ICNU DR 040. Does the Company’s response apply in all circumstances—e.g., if one rate schedule consistently provided all DSM funding through Schedule 91, would Avista still not agree that this would present an inequitable circumstance related to all other non-contributing rate schedules, based on the Company’s stated rationale that “all customers receive benefits through the DSM programs whether they are directly participating at their specific level of contribution or not”? If the Company’s response to ICNU DR 040 does not apply in all circumstances, please provide a narrative response explaining any equitable standards that would apply, based on relative Schedule 91 contribution levels between rate schedules.

**RESPONSE:**

Among the objectives of the Company in designing programs such as the DSM program, including funding for the program, is for the program to be fair and reasonable. There can be a range of designs and outcomes that could be considered to meet those objectives based on specific circumstances.



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

JURISDICTION:	WASHINGTON	DATE PREPARED:	04/11/2016
CASE NO:	UE-160228 & UG-160229	WITNESS:	Patrick Ehrbar
REQUESTER:	ICNU	RESPONDER:	Patrick Ehrbar
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	ICNU – 010C	TELEPHONE:	(509) 495-8620
		EMAIL:	pat.ehrbar@avistacorp.com

**REQUEST:**

From 2005 to the present, please provide a quantification of benefits received by Schedule 25 customers from the Company's DSM programs, including supporting documents.

**RESPONSE:**

The information included as ICNU\_DR\_010C Confidential Attachment A is **Confidential per Protective Order in UTC Dockets UE-160228 and UG-160229.**

Provided below are the energy efficiency incentives paid to Schedule 25 customers from 2005 through 2015, and 2016 year-to-date. Please note that these are the direct incentives paid to Schedule 25 customers for qualifying electric efficiency measures. The Company has not otherwise performed an analysis showing the benefits Schedule 25 customers have received from the deployment of the Company's DSM resources in terms of reduced power supply costs. In addition, the Company has not quantified the benefits provided to Schedule 25 customers from their use of the Company's DSM staff for efficiency consultations, energy audits, or analysis and reporting on potential efficiency measures.

<b>Year</b>	<b>Incentive Elec</b>
2005	\$ 304,663.00
2006	\$ 139,523.00
2007	\$ 915,154.00
2008	\$ 301,081.50
2009	\$ 1,304,744.78
2010	\$ 736,949.88
2011	\$ 418,132.00
2012	\$ 832,731.13
2013	\$ 336,161.00
2014	\$ 40,244.00
2015	\$ 798,300.00
2016 YTD	\$ 47,138.00

Pages 9-17 of Exhibit No. RRS-11C are confidential per the protective order in UTC Dockets UE-160228 and UG-160229 and have been redacted in their entirety.

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	04/15/2016
CASE NO:	UE-160228 & UG-160229	WITNESS:	Patrick Ehrbar
REQUESTER:	ICNU	RESPONDER:	Joe Miller
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	ICNU – 036	TELEPHONE:	(509) 495-4546
		EMAIL:	joe.miller@avistacorp.com

**REQUEST:**

Refer to ICNU Data Request 009. From 2005 to the present, please provide the annual amount of Schedule 91 Demand Side Management (“DSM”) funding collected from each other schedule (i.e., besides Schedule 25), including supporting documents.

**RESPONSE:**

See ICNU\_DR\_036 Attachment A for the requested information. The electronic file of ICNU\_DR\_036 Attachment A includes the supporting documents.

Avista  
ICNU-036

<u>Year</u>	<u>Schedule 001</u>	<u>Schedule 011/012</u>	<u>Schedule 021/022</u>	<u>Schedule 025</u>	<u>Schedule 031/032</u>	<u>Schedule 41-48 *</u>
2005	\$ 2,012,817	\$ 485,609	\$ 1,462,585	\$ 570,784	\$ 100,024	\$ 69,771
2006	\$ 2,118,954	\$ 523,948	\$ 1,484,224	\$ 582,847	\$ 103,706	\$ 75,144
2007	\$ 2,156,257	\$ 536,147	\$ 1,486,625	\$ 583,346	\$ 111,562	\$ 76,888
2008	\$ 4,371,727	\$ 1,081,100	\$ 3,014,395	\$ 1,155,315	\$ 224,792	\$ 153,798
2009	\$ 7,453,675	\$ 1,806,270	\$ 5,017,050	\$ 1,855,706	\$ 398,054	\$ 262,053
2010	\$ 7,428,838	\$ 1,830,230	\$ 5,076,086	\$ 2,242,314	\$ 358,075	\$ 249,356
2011	\$ 7,660,238	\$ 2,002,609	\$ 5,052,974	\$ 2,306,451	\$ 366,385	\$ 274,262
2012	\$ 5,986,584	\$ 1,846,875	\$ 3,903,798	\$ 1,773,427	\$ 286,367	\$ 216,095
2013	\$ 5,122,255	\$ 1,691,283	\$ 3,104,260	\$ 1,495,037	\$ 250,073	\$ 166,311
2014	\$ 6,431,752	\$ 2,169,349	\$ 3,952,824	\$ 1,956,751	\$ 346,245	\$ 218,568
2015	\$ 5,720,522	\$ 1,989,896	\$ 3,609,896	\$ 1,752,710	\$ 341,764	\$ 199,023

\* The Company used Street & Area Light base revenue from past GRC's that most closely aligned with the corresponding year in order to estimate the amount of DSM revenue collected for Schedules 41-48.

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	4/15/2016
CASE NO:	UE-160228 & UG-160229	WITNESS:	Tara Knox/Pat Ehrbar
REQUESTER:	ICNU -	RESPONDER:	Tara Knox
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	ICNU – 057C	TELEPHONE:	(509) 495-4325
		EMAIL:	tara.knox@avistacorp.com

**REQUEST:**

Referring to the Extra Large General Service (Schedule 25) rate class, please provide the following:

- a. A list of all customers receiving service under this rate schedule;
- b. The delivery voltage or voltages at which each customer is supplied;
- c. The test year energy and demand data for each customer, used in the development of the demand and energy allocation factors for the Schedule 25 class in the cost of service study; and
- d. The test year billing determinants (both kWh and kW) used in the Company's proof of revenue at proposed rates.

**RESPONSE:**

Please note that Avista's response to ICNU – 057C is **Confidential per Protective Order in UTC Dockets 160228 & UG-160229**.

The non-confidential version of this data (omitting customer names) was provided with Ms. Knox and Mr. Ehrbar work papers with the Company's initial filing.

Please see ICNU\_DR\_057C CONFIDENTIAL Attachment A.

Pages 21-25 of Exhibit No. RRS-11C are confidential per the protective order in UTC Dockets UE-160228 and UG-160229 and have been redacted in their entirety.