

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	06/26/2015
CASE NO.:	UE-150204 & UG-150205	WITNESS:	Don Kopczynski/Karen Schuh
REQUESTER:	Staff-Gomez	RESPONDER:	K. Schuh/L. La Bolle
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	Staff - 179	TELEPHONE:	(509) 495-2293
		EMAIL:	karen.schuh@avistacorp.com

**REQUEST:**

Referring to the direct testimony of Avista witness Kopczynski, Exhibit No. \_\_ (DFK-1T), Pages 20 and 21, and Schuh Exhibit No. \_\_ (KKS-1T), Page 19:17-24, please respond to the following data request.

Mr. Kopczynski states on page 20:21 that Avista's Two Year Plan for Managing Select Pipe Replacement in Avista Utilities' Natural Gas System (2013-2015 Two-Year Plan) dated May 31, 2013, and approved by the Commission in Order 01, PG-131837 dated October 30, 2013, is included in his Exhibit No. \_\_ (DFK-6). It is not in the exhibit as indicated. On May 29, 2015, the Company filed its 2015-2017 Two-Year Plan in Docket PG-131837.

**Data request**

- Comparing the amounts in the 2015-2017 Two-Year Plan against Expenditure and Transfer to Plant actuals reported by the Company, explain the apparent \$4.8 million discrepancy between the amounts reported in the plan and what is reflected in the Company's records for expenditures and transfers to plant.

	Actuals				Budget
	2011	2012	2013	2014	2015
<b>Expenditure</b>					
System	\$2,768,187	\$4,643,188	\$13,205,373	\$16,917,201	\$16,817,430
WA Allocated	\$1,328,730	\$2,228,730	\$6,338,579	\$8,120,256	\$8,072,366
<b>TTP</b>					
System	\$2,683,207	\$187,815	\$17,690,260	\$16,875,629	\$16,817,430
WA Allocated	\$1,287,939	\$90,151	\$8,491,325	\$8,100,302	\$8,072,366
<b>2015-2017 Two-Year Plan</b>					
WA Allocated	\$2,710,248	\$2,980,449	\$8,854,998	\$8,295,520	\$8,072,366
	<b>Expenditure</b>	<b>TTP</b>	<b>2015-2017 Two-Year Plan</b>		
	\$18,016,295	\$17,969,717	\$22,841,215		

- Table 1 below is from Kopczynski's Exhibit No. \_\_ (DFK-1T), Page 21:7-12.

<u>Table No. 1</u>			
Year	Miles of Main Pipe	Number of Tees	Investment
2011	7.5		\$2,507,715
2012	8.6	3	\$3,333,986
2013	12.4	910	\$8,759,459
2014	10.4	1,931	\$8,349,427

The table below was extracted from information contained in the Company's 2015-2017 Two-Year Plan. Explain the differences in the data in Mr. Kopczynski's testimony and what is shown in the plan as actuals for 2011-2014.

	PG-131837 dtd 5/29/2015			
	Year	Miles of Main Pipe	Number of Tees	WA Allocated Investment
<b>Actual</b>	2011	7.4	0	\$2,710,248
	2012	8.6	0	\$2,980,449
	2013	12.4	1,219	\$8,854,998
	2014	10.7	1,854	\$8,295,520
<b>Fcst</b>	2015	9.3	1,854	\$8,072,366
	2016	10.54	1,785	\$8,344,931
	2017	14.06	356	\$8,766,229
	<b>Total</b>	73	7068	\$48,024,741
	<b>Total I.D.ed</b>	721	16,000	
	<b>Percent</b>	10.1%	44.2%	

Any responsive materials provided in Excel format should be fully functional with all workbooks, worksheets, data and formulae left intact.

**RESPONSE:**

1. The Washington Allocated amounts listed in the table above by staff, for both Expenditures and Transfers to Plant (TTP) are incorrect. For the period 2011 - 2014 the Company did not allocate to Washington based on a 48% allocation, as assumed above. The Company directly assigned costs during these years. The 48% allocation is for the future years of 2015-2017. The revised table below shows the corrected amounts highlighted and notes that the variance between Washington Natural Gas Transfers to Plant and the two year plan historical information, is an immaterial amount of \$45,068, and not the \$4.8 million noted above.

	Actuals				Budget
	2011	2012	2013	2014	2015
<b>Expenditure</b>					
System	\$ 2,768,187	\$ 4,643,188	\$ 13,205,378	\$ 16,917,201	\$ 16,817,430
WA Allocated	\$ 2,507,715	\$ 3,333,986	\$ 8,759,459	\$ 8,349,427	\$ 8,072,366
<b>Transfers to Plant (TTPP)</b>					
System	\$ 2,683,207	\$ 187,815	\$ 17,690,260	\$ 16,875,629	\$ 16,817,430
WA Allocated	\$ 2,445,071	\$ 159,960	\$ 11,940,656	\$ 8,340,596	\$ 8,072,366
<b>2015-2017 Two-Year Plan</b>					
WA Allocated	2,710,248	2,980,449	8,854,998	8,295,520	8,072,366
	<b>Expenditure</b>	<b>TTP</b>	<b>2011-2014 Two-Year Plan info</b>	<b>Variance</b>	
	\$ 22,950,587	\$ 22,886,283	\$ 22,841,215	\$ (45,068)	

2. For the year 2011, the difference in the amount of main pipe replaced is an issue of rounding. The actual value for that year is 7.46 miles of pipe. The difference in cost reflects the actual construction cost for that year, as shown in the subject Two-Year Plan, and the actual transfers to plant that were made in that year, as reflected in the testimony of Mr. Kopczynski.

For the year 2012, there were actually three tees remediated, and the difference in cost reflects the actual construction cost for that year, as shown in the subject Two-Year Plan, and the actual transfers to plant that were made in that year, as reflected in the testimony of Mr. Kopczynski.

For the year 2013, the number of tees shown in the table in the Two-Year Plan, inadvertently represented a planned number for that year, and the number in the testimony of Mr. Kopczynski represents the actual number installed. The difference in cost reflects the actual construction cost for that year, as shown in the subject Two-Year Plan, and the actual transfers to plant that were made in that year, as reflected in the testimony of Mr. Kopczynski.

For the year 2014, the number of tees shown in the table in the Two-Year Plan, inadvertently represented a planned number for that year, and the number in the testimony of Mr. Kopczynski represents the actual number installed. The difference in cost reflects the actual construction cost for that year, as shown in the subject Two-Year Plan, and the actual transfers to plant that were made in that year, as reflected in the testimony of Mr. Kopczynski.