

**Exhibit No. ____ (DCG-21)
Dockets UE-150204/UG-150205
Witness: David C. Gomez**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

**AVISTA CORPORATION dba AVISTA
UTILITIES,**

Respondent.

**DOCKETS UE-150204 and
UG-150205
(Consolidated)**

**EXHIBIT TO
TESTIMONY OF**

DAVID C. GOMEZ

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

*Direct Testimony and Select Exhibits of Avista Witness Dave B. DeFelice in Dockets UE-140188 & UG-140189 (consolidated)
(Provided on CD)*

July 27, 2015

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-14 _____

DOCKET NO. UG-14 _____

DIRECT TESTIMONY OF

DAVE B. DEFELICE

REPRESENTING AVISTA CORPORATION

1 **I. INTRODUCTION**

2 **Q. Please state your name, employer and business address.**

3 A. My name is Dave DeFelice. I am employed by Avista Corporation as a
4 Senior Business Analyst. My business address is 1411 East Mission, Spokane, Washington.

5 **Q. Please briefly describe your educational background and professional
6 experience.**

7 A. I graduated from Eastern Washington University in June of 1983 with a
8 Bachelor of Arts Degree in Business Administration, majoring in Accounting. I have served
9 in various positions within the Company, including Analyst positions in the Finance
10 Department (Rates Section and Plant Accounting) and in the Marketing/Operations
11 Departments, as well. In 1999, I accepted the Senior Business Analyst position that focuses
12 on economic analysis of various project proposals as well as evaluations and
13 recommendations pertaining to business policies and practices.

14 **Q. As a Senior Business Analyst, what are your responsibilities?**

15 A. As a Senior Business Analyst, I am involved in financial analysis of
16 numerous projects within various departments such as Engineering, Operations,
17 Marketing/Sales and Finance.

18 **Q. What is the scope of your testimony?**

19 A. My testimony and exhibits in this proceeding will cover the Company's
20 capital investments in utility plant through December 31, 2015. The information included in
21 my testimony, with the exception of the June 30, 2013 restating adjustment as described
22 below, is included for informational purposes. As explained by Company witness Ms.

1 Andrews, the Company is basing its electric and natural gas revenue increase requested in
2 this case on its electric and natural gas Attrition Studies. However, as a “cross check” to the
3 Company’s request, Ms. Andrews has also prepared electric and natural gas Pro Forma
4 Cross Check Studies, which incorporate Washington’s share of the Pro Forma or 2015 rate
5 year adjustments for expenses and capital additions described further in my testimony.

6 In addition, for informational purposes only, I provide information on capital
7 investment through 2016 as an indication of the ongoing capital investments by the
8 Company. I also summarize the effect of the recently authorized depreciation rates, approved
9 by the Washington Utilities and Transportation Commission in Dockets UE-120436 and
10 UG-120437, Order No. 09.

11 A table of contents for my testimony is as follows:

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20

21 **Q. Are you sponsoring any exhibits?**

22 A. Yes. I am sponsoring Exhibit Nos. __ (DBD-2) through (DBD-5) which were
23 prepared under my direction, and have been included to provide supporting information for
24 the capital investment as described in this testimony.

1 **II. CAPITAL ADDITIONS THROUGH JUNE 2013**

2 **Q. What does the Company's request for rate relief include regarding**
3 **investment in utility plant that was in service at June 30, 2013?**

4 A. As in prior rate cases, Avista started with rate base for the historical test year,
5 which, for this case, is the average-of-monthly-averages ("AMA") for the twelve months
6 ended June 30, 2013. A restating adjustment, made by Ms. Andrews in Exhibit
7 Nos.__(EMA-4) and (EMA-5), was made to restate plant-in-service at June 30, 2013,
8 together with the associated accumulated depreciation ("A/D") and deferred federal income
9 taxes ("DFIT") at a June 30, 2013 end-of-period ("EOP") basis¹. This adjustment includes
10 annualizing the associated depreciation expense on the plant-in-service at June 30, 2013.

11 **Q. What is the net impact to electric rate base for the twelve months ended**
12 **June 30, 2013, to restate capital to an end-of-period basis?**

13 A. Electric net rate base for capital investment as of year-end June 30, 2013
14 increased \$35,200,000, from \$1,157,292,000 on an AMA basis to \$1,192,492,000 on an
15 EOP basis. Table No. 1 below summarizes the adjustment and also reflects the change in
16 the Company's depreciation rates approved in our last rate case, which I will explain later.

17

¹ The revenue producing capital for the period ended June 30, 2013 was adjusted separately to an EOP basis in Ms. Andrews Attrition Analysis as shown in Exhibit Nos.__(EMA-2) and (EMA-3), because the Attrition Analysis reflects the growth in customers and growth in revenue from the test year to the rate year. The revenue-producing distribution plant for the twelve-months-ended June 30, 2013 capital additions for the Pro Forma cross Check Analysis was not adjusted to EOP, because the Pro Forma Cross Check Analysis does not include growth in customers and revenue beyond the historical test year.

Table No. 1:

(000's)	Rate Base 6.30.2013 AMA	Restating Adjustment		Rate Base 6.30.13 EOP
		Adjust 6.30.13 to EOP Basis	Depreciation Rate Change Impact	
Plant	\$ 2,097,700	\$ 64,007	\$ -	\$ 2,161,707
A/D	(725,583)	(22,523)	(1,163)	(749,269)
DFIT	(214,825)	(5,361)	240	(219,946)
Rate Base	\$ 1,157,292	\$ 36,123	\$ (923)	\$ 1,192,492

Q. What was the net impact to natural gas rate base for the twelve months ended June 30, 2013 to restate capital to an end-of-period basis?

A. Natural gas net rate base for capital investment as of year-end June 30, 2013, increased \$4,955,000, from \$197,693,000 on an AMA basis to \$202,648,000 on an EOP basis. Table No. 2 below summarizes the adjustment included in the case.

Table No. 2:

(\$000's)	Rate Base 6.30.2013 AMA	Restating Adjustment		Rate Base 6.30.13 EOP
		Adjust 6.30.13 to EOP Basis	Depreciation Rate Change Impact	
Plant	\$ 373,353	\$ 11,825	\$ -	\$ 385,178
A/D	(127,547)	(4,712)	(1,041)	(133,300)
DFIT	(48,113)	(1,418)	301	(49,230)
Rate Base	\$ 197,693	\$ 5,695	\$ (740)	\$ 202,648

Q. Please summarize the effect of the most recently approved change in depreciation rates.

1 A. The Company was authorized to change its depreciation rates effective
2 January1, 2013, by the Washington Commission in Order No. 09, dated December 26, 2012
3 (Dockets Nos. UE-120436 and UG-120437).

4 Depreciation expense and the associated accumulated depreciation for Washington
5 electric and natural gas plant increased by \$1,163,054 and \$1,040,519, respectively, when
6 adjusted to reflect the change in depreciation rates for all plant in service for the full
7 twelve months of the test period. This includes \$476,444 electric and \$180,448 natural
8 gas, on transportation vehicles, and \$686,610 electric and \$860,071 natural gas, on all
9 remaining Washington plant. These amounts are reflected in the Restate Capital
10 Adjustment (2.19-Electric and 2.15-Natural Gas) in Company witness Ms. Andrews’
11 workpapers and exhibits as well as in my workpapers.

12
13 **III. CAPITAL ADDITIONS JULY 2013 THROUGH DECEMBER 2015**

14 **Q. What is the purpose of preparing the information with respect to the**
15 **July through December 2013, 2014, and 2015 capital additions?**

16 A. The Attrition Adjustment sponsored by Company witness Mrs. Andrews is
17 used in deriving the revenue requirement, and through a trending analysis, captures
18 additional capital expenditures up to and including the 2015 rate year. The Company’s
19 revenue increase proposal in this case is based on this Attrition Adjustment.

20 However, as Ms. Andrews explains in her testimony, Avista has provided additional
21 analysis as a “Cross Check” to the proposed electric and natural gas revenue increase
22 requests. We have referred to the Cross Check analysis as a Pro Forma Cross Check Study.

1 The Pro forma Cross Check Studies are provided for informational purposes only as support
2 or confirmation of the Company's need for rate relief. Avista's revenue increase request is
3 based on the Attrition Studies, not the Pro Forma Cross Check Studies.

4 **Q. How are the July through December 2013, 2014, and 2015 capital**
5 **additions reflected in the Pro Forma Cross Check Studies?**

6 A. For July through December 2013, Ms. Andrews included all six months of
7 capital², together with the associated AD and ADFIT at a December 31, 2013 EOP basis.
8 This included associated depreciation expense for the capital additions. These specific
9 capital additions are identified later in my testimony. In addition, the plant-in-service at
10 June 30, 2013 was adjusted to a December 31, 2013 EOP basis.

11 Ms. Andrews also reflected all 2014 capital additions³, together with the associated
12 AD and ADFIT at a 2014 EOP basis. This included associated depreciation expense for the
13 capital additions. These specific capital additions are identified later in my testimony. In
14 addition, the plant-in-service at December 31, 2013 was adjusted to a 2014 EOP basis.

15 Finally, she included all 2015 capital additions⁴, together with the associated AD and
16 ADFIT at a 2015 AMA basis. This included associated depreciation expense for the capital
17 additions. These specific capital additions are identified later in my testimony. In addition,
18 the plant-in-service at December 31, 2014 was adjusted to a 2015 AMA basis. Tables

² For each of the periods July-December 2013, 2014, and 2015 distribution-related capital expenditures associated with connecting new customers to the Company's system were excluded. The Pro Forma Cross Check Analysis does not include the increase in revenues from growth in the number of customers from the historical test year to the 2015 rate year, and therefore, the growth in plant investment associated with customer growth should also be excluded.

³ Id.

⁴ Id.

1 depicting the electric and natural gas Pro Forma Cross Check Study adjustments for July
2 2013 through 2015 are shown later in my testimony at Tables 11 and 12.

3

4 **IV. CAPITAL BUDGET AND REVIEW**

5 **Q. Please describe the capital budgeting process.**

6 A. Avista has revised the capital budgeting process over the last several years.
7 The new process allows for further and more detailed review of capital projects and progress
8 by using business cases. A business case is a summary document that provides support and
9 analysis for a project or program. Components of a business case include: the project
10 description, project alternatives, cost summary, business risk, financial assessment, strategic
11 assessment, justification for the project (mandatory, resource requirements, etc), milestones,
12 key performance indicators, etc. Business cases, along with a cover sheet for the projects
13 included in this case, have been provided as additional support in Exhibit No. ____ (DBD-5).

14 The budget process starts with project sponsors submitting new and updated business
15 cases to the Financial Planning and Analysis (“FP&A”) group for the upcoming five year
16 period. The business cases are reviewed by FP&A and then included in the list of valid
17 projects and programs to be considered for funding by the Capital Planning Group (“CPG”).
18 The CPG is currently a group of several Directors that represent all capital intensive areas of
19 the Company. The CPG meets to review the submitted Business Cases and prioritize funding
20 to meet the capital budget targets set by senior management. After approval from senior
21 management, the capital budget is sent to the Board of Directors to approve the capital
22 budget amount for the five year period. The CPG meets monthly to review the status of the

1 projects and programs written in the business cases, and approve or decline new business
2 cases as well as monitor the overall capital budget.

3 **Q. Is the Company confident that the capital additions that are presented in**
4 **this case will actually occur for the period July 2013 through December 31, 2015?**

5 A. Yes. The July through December 2013 projects are completed and many of
6 the 2014 projects are already underway or completed either through actual construction,
7 contracts signed, and/or materials ordered. In addition, the actual and planned capital
8 expenditures for the utility for the years 2006 through 2013 are shown in Table No. 3 below.
9 The table shows that actual capital expenditures have been very close to the planned
10 expenditures on a consistent basis. In fact, the eight year average of actual expenditures is
11 100% of the planned expenditures. I believe it is fair to conclude that there is a high level of
12 confidence that the planned capital expenditures for July 2013 through 2015 will occur.

13 **Table No. 3:**

	Planned Expenditures (\$ millions)	Actual Expenditures (\$ millions)	Percentage of Planned
2006	\$159.60	\$158.30	99%
2007	183.60	198.40	108%
2008	190.00	205.40	108%
2009	202.00	199.70	99%
2010	235.00	206.80	88%
2011	260.00	247.00	95%
2012	256.50	262.00	102%
2013	274.60	285.90	104%
Eight Year Average	\$220.16	\$220.44	100%

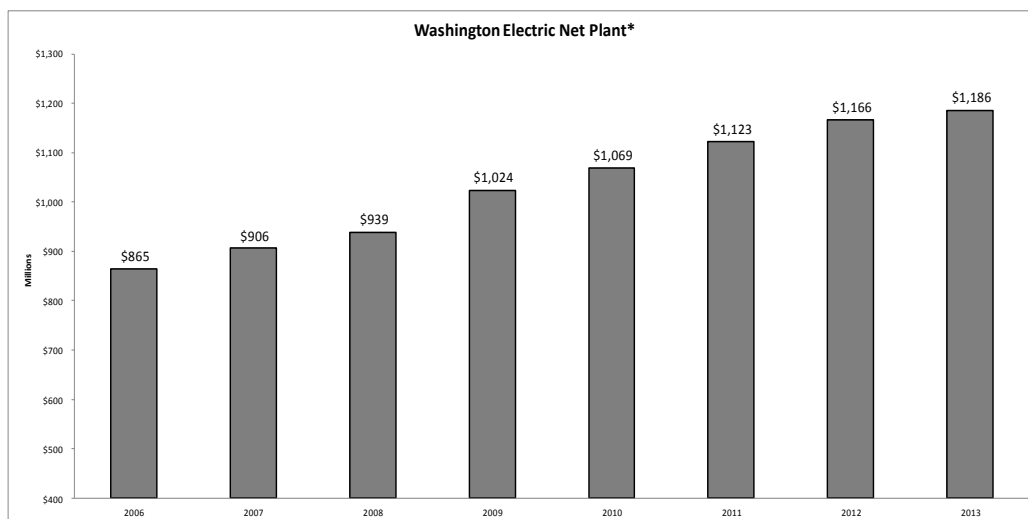
1 **Q. What is the historical and projected level of annual capital spending for**
2 **Avista?**

3 A. Avista’s annual capital requirements have steadily increased from
4 approximately \$158 million in 2006 to approximately \$296 million in 2013. Capital
5 expenditures of approximately \$686 million are planned for 2014-2015 for customer growth,
6 investment in generation upgrades and transmission and distribution facilities, as well as
7 necessary maintenance and replacements of our natural gas utility systems. Capital
8 expenditures of approximately \$1.7 billion are planned for the five-year period ending
9 December 31, 2018. Exhibit No. ____ (DBD-2) reflects this trend that Avista has experienced
10 and what is planned for in the near future.

11 **Q. How does new investment in utility plant change rate base over time?**

12 A. Avista’s investment in utility plant continues to significantly exceed
13 depreciation expense. Because of this, rate base in the rate year is significantly greater than
14 the historical test period AMA rate base. This is shown in Illustration No.1 below.

15 **Illustration No. 1:**



23 *Net Plant is after accumulated depreciation is removed.

1 **Q. What is driving the significant investment in new utility plant?**

2 A. As Company witnesses Ms. Rosentrater and Mr. Kinney, in particular,
3 explain in their testimony, it is necessary to add or upgrade generation facilities and expand
4 transmission and distribution facilities, due in part to customer growth and reliability
5 requirements. Other issues driving the need for capital investment include an aging
6 infrastructure, and municipal compliance issues (e.g., street/highway relocations), etc.

7 A significant factor in the growth in net plant investment or rate base is the cost of
8 new utility equipment and facilities today, as compared to the cost of the older facilities that
9 are now being replaced.

10 Some of the facilities we are replacing or upgrading were installed 40-60 years ago or
11 even before that time. The cost to replace this equipment and facilities today is multiple
12 times more expensive than when they were installed decades ago.

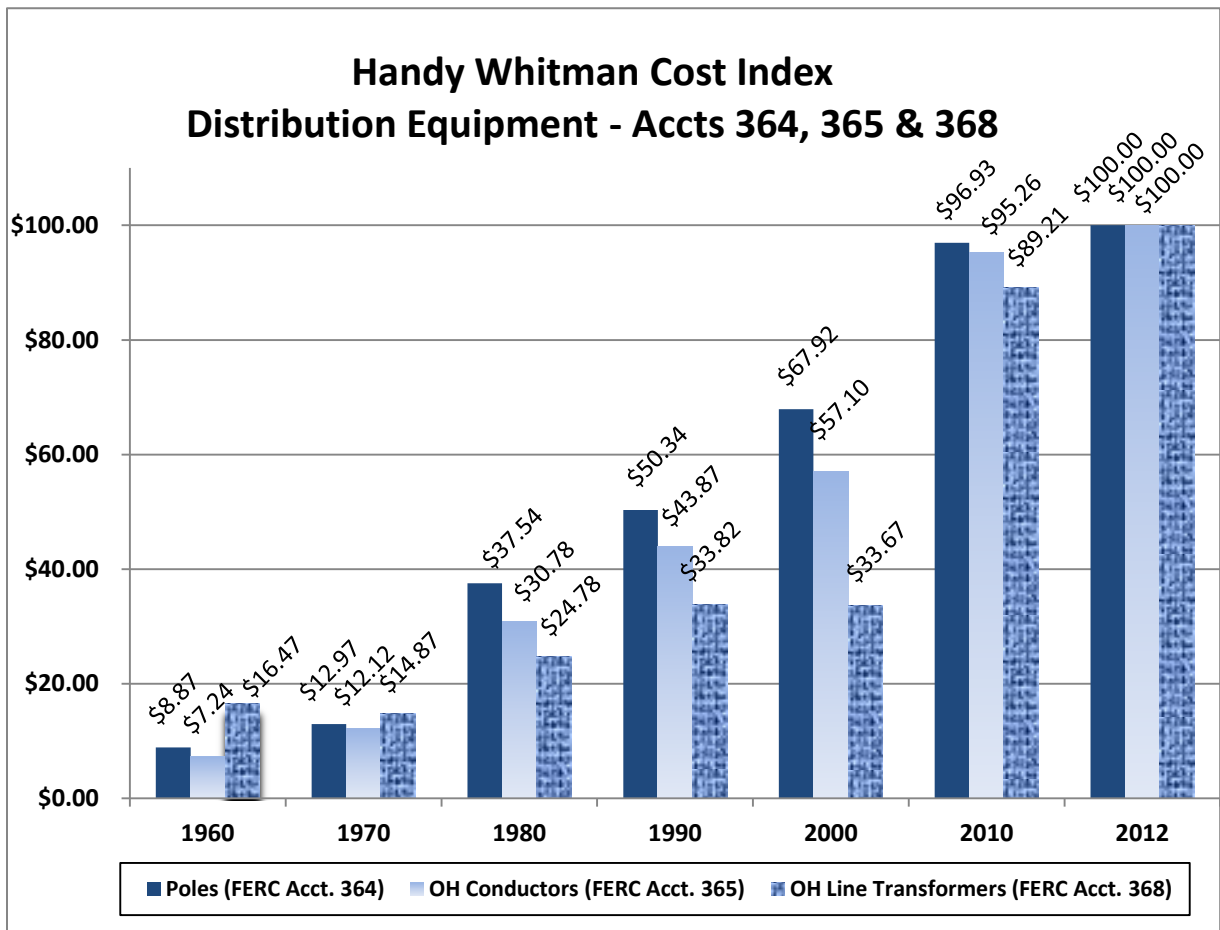
13 **Q. What data is available that depicts the increase in the cost of utility plant**
14 **assets that have been added in recent years, as compared to the cost of the facilities**
15 **being replaced?**

16 A. Using the Handy-Whitman Index Manual⁵, the Company analyzed several
17 major categories of plant. Exhibit No. ____ (DBD-3) depicts the increases in costs of
18 transmission substations, transmission equipment, distribution substations, and distribution
19 equipment that the utility industry has experienced over the past fifty years. These charts

⁵ “The Handy-Whitman Index of Public Utility Construction Costs”, is published by Whitman, Reardon and Associates, Baltimore, Maryland. The Handy-Whitman Indexes of Public Utility Construction Costs show the level of costs for different types of utility construction. Separate indices are maintained for general items of construction, such as reinforced concrete, and specific items of material or equipment, such as pipe or turbo-generators. Handy-Whitman Index numbers are used to trend earlier valuations and original cost at prices prevailing at a certain date.

1 show what these categories of plant have cost historically on a relative scale. For example,
2 on Page 4 of Exhibit No. ____ (DBD-3), and also shown in Illustration No. 2 below,
3 distribution poles fifty years ago would have a cost of approximately 9% of the current
4 replacement cost.

5 **Illustration No. 2:**



19 The charts on Exhibit No. ____ (DBD-3), show that the cost of the same equipment
20 and facilities that are being added today are many times more expensive than those facilities
21 installed in the past. Our retail rates are "cost-based" and reflect the low cost of the old

1 equipment serving customers. When the equipment is replaced, it requires an increase in
2 rates to reflect the much higher cost of the new equipment.

3 **Q. With respect to Avista's July 2013 through December 2015 capital**
4 **additions, would there be some operation and maintenance (O&M) savings associated**
5 **with the replacement of some of the aging equipment with new equipment?**

6 A. Not when you look at the total utility as a whole. At some point our facilities
7 approach the end of their useful lives and need to be replaced before they fail. Our general
8 practice is to attempt to replace our aging equipment before it fails, because it is not only
9 less costly to replace this equipment on a systematic, planned basis, but it also results in
10 more reliable service to customers, which is expected by all utility stakeholders. If our
11 practice were to avoid replacing utility equipment until it failed, the reliability of our system
12 would suffer.

13 Therefore, it is imperative that we continue every year to reinvest and upgrade a
14 portion of our utility system, in addition to the investments needed to meet mandatory
15 reliability requirements, so that our system will continue to provide reliable service. On a
16 net basis, we will continue to experience O&M costs to maintain a system that continues to
17 age.

18 The reinvestment and upgrades actually serve, to a large extent, to allow the
19 Company to avoid additional costs in the future associated with maintenance – not to reduce
20 the overall level of existing O&M costs.

21 **Q. Please provide a summary of the July 2013 through December 2015**
22 **capital projects.**

1 A. Exhibit No.__(DBD-4), details the system-level capital projects that will be
2 transferred to plant from July 2013 through December 2015. A listing and/or description of
3 the capital projects and their system costs that will transfer to plant-in-service for this time
4 period follows:

5 **Generation:**

6
7 The electric generation projects that will transfer to plant-in-service are described in
8 detail in Mr. Kinney’s direct testimony, Exhibit No.__(SJK-1T). A listing of these
9 projects on a system basis are included in Table No. 4 below.

10 **Table No. 4:**

<u>\$ (000's)</u>			
Generation / Production (System):	<u>Jul-Dec 2013</u>	<u>2014</u>	<u>2015</u>
Hydro - Base Load Hydro	\$ 903	\$ 1,000	\$ 1,000
Hydro - Clark Fork Settlement Agreement	1,719	10,830	7,081
Hydro - Generation Battery Replacement	112	100	183
Hydro - Hydro Safety Minor Blanket	50	65	70
Hydro - Little Falls Plant Upgrade	27	9,000	6,500
Hydro - Nine Mile Rehab	990	9,208	47,044
Hydro - Regulating Hydro	3,292	2,500	3,000
Hydro - Spokane River License Implementation	1,860	4,815	462
Thermal - Base Load Thermal Plant	4,135	2,200	2,200
Thermal - Peaking Generation	1,000	500	500
Hydro - Post Falls Intake Gate	1	-	-
Other - Coyote Springs LTSA	179	-	-
Other - Rathdrum CT Upgrade Unit	45	-	-
Hydro - Long Lake Replace Field Windings	-	800	2,430
Hydro - Noxon Spare Coils	-	1,350	-
Other - CS2 Inlet Air Sys	-	500	-
Thermal - Colstrip Thermal Capital	-	8,004	3,177
Thermal - Kettle Falls Water Supply	-	1,615	-
Hydro - Post Falls South Channel Replacement	-	-	11,008
Hydro - Cabinet Gorge Unit 1 Refurbishment	-	-	11,400
Thermal - KFGS Ash Collector	-	-	1,907
	<u>\$ 14,312</u>	<u>\$ 52,488</u>	<u>\$ 97,962</u>

1 **Electric Transmission:**

2 The electric transmission projects that will transfer to plant-in-service are described
3 in detail in Ms. Rosentrater’s direct testimony, Exhibit No. __ (HLR-1T). A listing of
4 these projects and system costs are included in Table No. 5 below.

5 **Table No. 5:**

<u>\$ (000's)</u>			
Electric Transmission (System):	<u>Jul-Dec 2013</u>	<u>2014</u>	<u>2015</u>
Colstrip Transmission/PNACI	\$ 40	\$ 369	\$ 208
Environmental Compliance	150	100	100
Reconductors and Rebuilds	4,271	9,297	18,888
Storms	1,096	1,100	1,100
Substation - 115 kV Line Relay Upgrades	350	950	900
Substation - Asset Mgmt. Capital Maintenance	1,689	2,600	2,600
Substation - Capital Spares	464	750	7,745
Substation - Distribution Station Rebuilds	6	500	-
Tribal Permits and Settlements	103	495	1,430
Spokane Valley Transmission Reinforcement	845	1,900	600
Clearwater Sub Upgrades		2,700	500
Moscow 230 Substation Rebuild	6,686	5,853	-
Transmission - Asset Management	546	1,315	1,370
Transmission - NERC High Priority Mitigation	1,350	1,900	-
Transmission - NERC Low Priority Mitigation	-	250	500
Transmission - NERC Medium Priority Mitigation	-	1,693	3,294
SCADA - SOO & BUCC	133	1,090	515
Thornton 230 kV Switching Station	14	-	-
Westside property purchase	70	-	-
Noxon Switchyard Rebuild		-	8,425
	<u>\$ 17,813</u>	<u>\$ 32,863</u>	<u>\$ 48,175</u>

Electric Distribution:

The electric distribution projects that will transfer to plant-in-service are described in detail in Ms. Rosentrater’s direct testimony, Exhibit No.__(HLR-1T). A listing of these projects and system costs are included in Table No. 6 below.

Table No. 6:

<u>\$ (000's)</u>			
Electric Distribution (System):	<u>Jul-Dec 2013</u>	<u>2014</u>	<u>2015</u>
Distribution Grid Modernization	\$ 6,630	\$ 9,450	\$ 13,500
Distribution Line Protection	253	250	125
Distribution Minor Rebuild	4,792	8,300	8,300
Distribution Transformer Change-Out Program	813	4,700	6,900
Distribution Wood Pole Management	4,436	14,680	15,873
Electric Replacement/Relocation	1,279	2,300	2,400
Environmental Compliance	63	150	150
Primary URD Cable Replacement	737	1,000	1,000
Reconductors and Rebuilds	-	2,500	2,500
Segment Reconductor and FDR Tie Program	1,473	2,653	3,074
Spokane Electric Network	1,413	2,300	2,300
Storms	1,888	2,200	2,300
Substation - Asset Mgmt. Capital Maintenance	97	1,500	1,500
Substation - Capital Spares	31	2,300	800
Substation - Distribution Station Rebuilds	2,460	2,730	3,125
Substation - New Distribution Stations	373	379	2,045
Worst Feeders	500	1,500	2,000
Spokane Valley Transmission Reinforcement	151	-	-
Franchising for WSDOT	42	265	195
Harrington 4 kV Cutover	-	1,000	2,000
Smart Grid Demonstration Project	360	525	-
Ram Rat 2 US 95 Widening	816	-	-
Smart Grid Workforce Training Grant - DOE	360	-	-
Spokane Smart Circuit	1,104	-	-
Customer Prepay	-	-	1,997
Street Light Management	-	-	2,320
	<u>\$ 30,069</u>	<u>\$ 60,682</u>	<u>\$ 74,403</u>

General:

The detailed listing of the general plant projects and system costs that will transfer to plant-in-service are included in Table No. 7 below, with narrative summaries following the table.

Table No. 7:

<u>\$ (000's)</u>			
General (System):	<u>Jul-Dec 2013</u>	<u>2014</u>	<u>2015</u>
Capital Tools & Stores Equipment	\$ 404	\$ 1,937	\$ 2,348
COF Long-Term Restructuring Plan	8,461	2,000	1,500
Dollar Rd Service Center Addition & Remodel	213	-	-
Structures and Improvements/Furniture	2,025	3,353	3,600
Clinic Expansion Project	150	-	-
Apprentice Training	10	60	60
HVAC Renovation Project	6,507	2,000	8,000
Microwave Refresh	3,171	1,625	1,073
Mechanical Shop 3 Ton Crane	-	154	-
Transmission Outage Management	-	300	-
New Deer Park Service Center	-	-	2,500
COF Long-term Restructure Ph2	-	-	2,000
	<u>\$ 20,940</u>	<u>\$ 11,429</u>	<u>\$ 21,081</u>

Capital Tools & Stores Equipment - 2013: \$404,000; 2014: \$1,937,000; 2015: \$2,348,000

Equipment utilized in warehouses throughout the service territory. This includes equipment such as forklifts, manlifts, shelving, cutting/binding machines, etc. Expenditures in this category also include large tools and instruments used throughout the Company for gas and/or electric construction and maintenance work, distribution, transmission, or generation operations, telecommunications, and some fleet equipment (hoists, winch, etc) not permanently attached to the vehicle.

Central Office Facility (COF) Long Term Campus Restructuring Plan - 2013: \$8,461,000; 2014: \$2,000,000; 2015: \$1,500,000

The central office facility (COF) campus restructuring plan is a 2-year, 3 phase plan to address parking and office space needs. Avista employees are forced to park on residential streets which sometimes disturbs our neighbors. Moreover, Avista does not meet the current city requirements for handicap and carpool parking spaces. The campus restructuring will create 109 additional parking spaces for employees inside of the Avista property. Avista is currently leasing office space for 75 employees that cannot fit into the current facility layout. In 2013, Facilities remodeled the old warehouse to then accommodate 120 cubicles, meeting rooms, offices and restroom

1 facilities. By remodeling the old warehouse, Avista made wise use of the square
2 footage and return employees to a central location. The 3rd phase of the plan is to
3 construct a 50 space parking lot on the Ross Court property adjacent to the Avista
4 campus. O&M savings will result from eliminating the need for leased facilities
5 used for personnel that will be relocated to the Mission Campus. In addition, savings
6 are gained due to line trucks and employees not having to travel and off-load waste
7 matter that is recyclable or hazardous. Savings are \$20,000 in 2014 and \$20,000 in
8 2015 on a system level. The allocation to Washington is 79.22% for Electric and
9 20.78% for Gas making the Washington allocated savings \$15,844 Electric and
10 \$4,156 Gas in each year. This has been included in the O&M Offsets adjustment as
11 shown in Company witness Mrs. Andrews' workpapers.
12

13 **Dollar Road Service Center Addition & Remodel - 2013: \$213,000**

14 In 2012 and 2013, Avista constructed a 12,900 sq. ft. 6-bay fleet facility. The facility
15 enables Avista to service CNG vehicles and gas department vehicles on-site. The
16 service of the gas vehicles was taking place at a leased facility several miles north of
17 the Dollar Rd. property. The Dollar Rd. expansion includes a CNG filling station for
18 the Avista fleet and CNG customers. The justification of the fleet facility was found
19 in efficiencies gained by having mechanics on-site to maintain Avista vehicles.
20

21 **Structures and Improvements/Furniture - 2013: \$2,025,000; 2014: \$3,353,000;**
22 **2015: \$3,600,000**

23 This program is for the Capital Maintenance, Improvements, and Furniture budgets
24 at 50 plus Avista offices and service centers (over 700,000 square feet in total). Many
25 of the included service centers were built in the 1950's and 1960's and are starting to
26 show signs of severe aging. The program includes capital projects in all construction
27 disciplines (Roofing, Asphalt, Electrical, Plumbing, HVAC, Energy efficiency
28 projects etc.).
29

30 **Clinic Expansion Project - 2013: \$150,000**

31 Capital equipment costs for the new Clinic that was completed in 4th Quarter 2013.
32 Costs include all furniture, specialized equipment, oxygen systems, exam tables etc.
33 for a two-room examination Facility. Project shows the possibility of significant
34 savings to the company through bringing many of the third party health costs back in
35 house. The clinic supports many required programs for WISHA, OSHA and DOT for
36 requirements related to occupational health services such as audiogram testing, DOT
37 Physicals, Drug/alcohol screens and testing, and other programs. By bringing these
38 services in-house cost savings will be achieved by delivering these services more
39 cost-effectively than using outside medical providers. Avista is self-insured for
40 employee medical plans and the worker's compensation program. Productivity is
41 favorably impacted as a result of having a clinic on site for employees by decreasing
42 lost time away from work and offering other medical services. The clinic can offer
43 services comparable to an urgent care clinic at comparable or lower cost for services
44 such as Lab/blood draws, vaccinations, allergy injections, wound care, blood-pressure

1 checks and urgent care needs. Management of worker compensation claims for
2 injured workers will benefit through early intervention and improved coordination of
3 claim management through the services offered in the clinic, which helps the
4 employee and controls expenses. The clinic is HIPPA compliant and is under the
5 same regulations as comparable medical providers.
6

7 **Apprentice Training – 2013: \$10,000; 2014: \$60,000; 2015: \$60,000**

8 This program is for on-going capital improvements to support the essential skills
9 needed for journeyman workers, apprentices and pre-apprentices now and for the
10 future. It is important to provide the types of training scenarios that employees face
11 in the field. Capital expenditures under this program include items such as building
12 new facilities or expanding existing facilities, purchase of equipment needed, or
13 build out of realistic utility field infrastructure used to train employees. Examples
14 include: new or expanded shops, truck canopies, classrooms, backhoes and other
15 equipment, build out of “Safe City” located at the Company’s Jack Stewart training
16 facility in Spokane, which could include commercial and residential building
17 replicas, and distribution, transmission, smart grid, metering, gas and substation
18 infrastructure.
19

20 **HVAC Renovation Project - 2013: \$6,507,000; 2014: \$2,000,000; 2015:**
21 **\$8,000,000**

22 The HVAC Renovation Project began in 2007 and 2008. The HVAC Project is a
23 systematic replacement of the original 1956 Heating, Ventilation and Air
24 Conditioning System for the Service Building, Cafeteria/ Auditorium and General
25 Office Building. The original HVAC equipment has been operating 24/7 since
26 original construction in 1956. The Project entails a floor by floor evacuation and
27 relocation of employees and a complete demolition of each floor; including a
28 massive Asbestos Abatement component, and removing the original fire proofing on
29 the basic steel structure. The Project requires exhaustive demolition and
30 reconstruction of each floor. Sustainable energy savings and conservation are built
31 into the Project as we apply for LEED certification for each floor. The 5th, 4th, and
32 3rd floor has obtained LEED-CI Gold status recognizing all of the renewable
33 strategies we employed during the design and construction phases. The goal of this
34 project is to re-purpose and recycle the entire Facility for the next generation of
35 Avista employees to use for 50 more years. Life cycle costs weighed heavily on our
36 Construction Specifications and equipment choices during the design phase. The
37 design team chose energy efficient equipment that was designed for 30 to 50 year life
38 cycles. After revenue requirement was finalized, it was determined that offsets exist
39 for this business case. The project will produce approximately \$36,000 (system) in
40 reduced energy costs for 2013 and 2014. For 2013, this would include six months of
41 the savings or \$18,000. Washington’s allocation of this is \$14,000 for Electric and
42 \$4,000 for gas. In 2014, offsets were \$36,000 (\$29,000 WA Electric \$7,000 WA
43 Gas). The O&M savings for 2015 are estimated to be \$112,590 and are planned to

1 be in-service September 2015. As such, the offset amount is \$28,148 (\$22,000 WA
2 Electric and \$6,000 WA Gas).

3
4 **Microwave Refresh - \$2013: \$3,171,000; 2014: \$1,625,000; 2015: \$1,073,000**

5 The project is designed to replace the aging and no longer supported microwave
6 equipment with a supported technology. These systems support the communication
7 for protection and relaying of the electrical transmission systems that allow the
8 reliable delivery of electricity throughout our service territory.

9
10 **Mechanical Shop 3 Ton Crane - 2014: \$154,000**

11 Replace 480v exposed buss shop crane with freestanding 3 ton unit. Present crane is
12 an electrocution hazard, and cannot handle many jobs due to its limited size.
13 Limitations force us to outsource work that could be done at little or no incremental
14 cost by our own employees. The crane is also outmoded, with limited parts
15 availability. An estimated O&M offset of \$20,000 system (13,000 WA) is gained in
16 2014 by eliminating the need to outsource to external contractors.

17
18 **Transmission Outage Management - 2014: \$300,000**

19 System Operations proposes installation of a Transmission Outage Management
20 system that would provide additional transmission outage management functionality,
21 streamline current transmission outage management processes, and eliminate the
22 current homegrown logging application. Implementing this system would automate
23 many processes that are performed in a manual fashion and would bring Avista's
24 capabilities up to industry standards. Maintenance of the logging portion of the
25 application would change from programming the application (current) to configuring
26 the application. Mining of data for calculating compliance reports and reliability
27 indicators would be reduced with normalized data and automated processes.

28
29 **New Deer Park Service Center- 2015: \$2,500,000**

30 Replace existing Deer Park Service Center. Current building is over 40 years old, and
31 existing storage yard is becoming too small for ever-growing inventory.
32 Environmental concerns with existing site located near railroad tracks, and close
33 proximity to city water well. The existing building is tight for current line truck sizes,
34 warehouse is undersized, and has code compliance and security issues. Deer Park is
35 one of our lower-performing service centers on the Facilities Building Survey
36 Report. No O&M offsets are presented on the attached copy of the Business Case,
37 however after further discussion it was determined that \$16,000 of annual savings
38 would occur after the in-service date of September 2015. This amount has been
39 prorated to include only 3 of those months. Savings are from facilities energy and
40 maintenance savings including employee efficiencies due to larger facilities and more
41 spacious storage yard. The total O&M offset is calculated as $\$16,000 \times (3/12) =$
42 $\$4,000$. Washington's portion of this is \$3,169 Electric and \$831 Gas. This has
43 been included in the O&M Offsets adjustment as shown in Company witness Mrs.
44 Andrews' workpapers.

Central Office Facility (COF) Long-Term Restructure Ph2- 2015: \$2,500,000

Central Office Facility (COF) Long Term Restructuring Plan, Phase 2 involves the construction of a new Fleet Vehicle Garage and 4-story parking structure. By the end of 2015, Facilities projects will add approx. 183 new cubicles. Our parking lots will be beyond max capacity. The Fleet Garage is over 50 yrs old and is constrained. New garage will allow for maintenance of Compressed Natural Gas vehicles as the current bldg does not allow for this. Once Fleet is relocated there will be a distinct separation between operational/service vehicles and employee vehicle. This separation will increase safety by eliminating intermingling of pedestrians in work areas. Office building & parking garage is projected to allow Call Center and any leased facilities to come back to Mission campus. Ross Park conversion to office will secure any future employee expansion that will occur. It was determined that O&M savings of \$33,000 will occur in July 2015. These O&M savings are the result of eliminating the need of leased facilities used for personnel that will be relocated to the Mission Campus. In addition, we would not need to rent or purchase addition space for parking. These annual savings have been prorated to include savings after the in-service date. The resulting offset is calculated as $\$33,000 \times (5/12) = \$13,860$. Washington's apportionment of this amount is \$10,980 Electric and \$2,880 Gas. This has been included in the O&M Offsets adjustment as shown in Company witness Mrs. Andrews' workpapers.

Transportation:

The detailed listing of the transportation projects and the system costs that will transfer to plant-in-service are included in Table No. 8 below, with narrative summaries following the table.

Table No. 8:

\$ (000's)			
Transportation (System):	<u>Jul-Dec 2013</u>	<u>2014</u>	<u>2015</u>
CNG Fleet Conversion	\$ 932	\$ 200	\$ 200
Fleet Budget	4,287	5,586	6,500
	<u>\$ 5,219</u>	<u>\$ 5,786</u>	<u>\$ 6,700</u>

CNG Fleet Conversion - 2013: \$932,000; 2014: \$200,000; 2015: \$200,000

This project is to convert 119 light duty trucks to CNG over the next seven years. If more vehicles are acquired in the fleet, there is a potential for more CNG to be served from these refueling stations. Vehicle conversion will began in 2012 and will continue on 15-20 vehicles per year for the foreseeable future.

Fleet Budget - 2013: \$4,287,000; 2014: \$5,586,000; 2015: \$6,500,000

Expenditures are for the scheduled replacement of trucks, off-road construction equipment and trailers that meet the Company's guidelines for replacement including age, mileage, hours of use and overall condition. This also includes additions to the fleet for new positions or crews working to support the maintenance and construction of our electric and natural gas operations.

Enterprise Technology:

The enterprise technology projects that will transfer to plant-in-service are described in detail in Mr. Kensok's direct testimony, Exhibit No.__(JMK-1T). A listing of these projects and the system costs are included in Table No. 9 below:

Table No. 9:

<u>\$ (000's)</u>			
Enterprise Technology (System):	<u>Jul-Dec 2013</u>	<u>2014</u>	<u>2015</u>
AvistaUtilities.com and AvaNet Redesign	\$ 1,000	\$ 1,538	\$ 240
Enterprise Business Continuity Plan	339	482	450
Mobility in the Field	113	690	420
Technology Refresh to Sustain Business Process	10,919	13,862	19,362
Customer Information System Replacement	9,184	67,341	-
Enterprise Security	1,530	2,183	2,185
Technology Expansion to Enable Business Process	3,311	3,836	5,799
Radio Telephone Communications Console System	(3)	-	-
High Voltage Protection for Substations	1,457	2,014	320
Next Generation Radio Refresh	1,999	7,235	27
GridGlo GFX Integration	-	240	-
Asset Facilities Management Application Migration	-	-	8,350
Financial Forecast Model	-	-	500
	<u>\$ 29,849</u>	<u>\$ 99,421</u>	<u>\$ 37,653</u>

Jackson Prairie Storage - 2013: \$450,000; 2014: \$500,000; 2015: \$1,000,000

These projects include various capital improvements that Avista and its partners will complete at Jackson Prairie facility.

Natural Gas Distribution:

The detailed listing of the natural gas distribution projects and system costs that will transfer to plant-in-service, are included in Table 10, with narrative summaries following the table.

Table No. 10:

<u>\$ (000's)</u>	<u>Jul-Dec 2013</u>	<u>2014</u>	<u>2015</u>
Natural Gas Distribution (System):			
Aldyl A Replacement	\$ 8,463	\$ 16,452	\$ 16,817
Cathodic Protection	172	800	800
Gas Non-Revenue Program	4,728	7,402	8,925
Gas Reinforcement	395	1,000	1,000
Gas Replacement Street & Highway	1,938	4,500	4,500
Gas Telemetry	98	400	400
Isolated Steel Replacement	1,121	2,598	2,818
Overbuilt Pipe Replacement	390	900	900
Regulator Station Reliability Replacement	218	600	800
Replace Deteriorating Steel Gas Systems	495	800	1,000
Gas PMC Program - Capital Replacements	-	1,000	1,030
ERTs Replacement Program	-	-	902
Goldendale HP	-	-	3,500
Reinforcement, Hwy 2 Kaiser	-	-	1,400
	\$ 18,017	\$ 36,453	\$ 44,793

Aldyl A Replacement – 2013: \$8,463,000; 2014: \$16,452; 2015: \$16,817

The Company currently undergoing a twenty-year program to systematically remove and replace select portions of the DuPont Aldyl A medium density polyethylene pipe in its natural gas distribution system in the States of Washington, Oregon and Idaho. None of the subject pipe is “high pressure main pipe,” but rather, consists of distribution mains at maximum operating pressures of 60 psi and pipe diameters ranging from 1¼ to 4 inches. This program is described further by Mr. Kopczynski in his testimony, Exhibit No.__(DFK-1T).

Cathodic Protection – 2013: \$172,000; 2014: \$800,000; 2015: \$800,000

This annual project upgrades, replaces, or installs cathodic protection systems required to ensure compliance with PHMSA regulations regarding proper cathodic protection of steel mains.

Gas Distribution Non-Revenue Blanket -2013: \$4,728,000; 2014: \$7,402,000; 2015: \$8,925,000

This annual project will replace sections of existing natural gas piping that require replacement to improve the operation of the natural gas system but are not linked to new revenue. The project includes improvements in equipment and/or technology to improve system operation and/or maintenance, replacement of obsolete facilities, replacement of main to improve cathodic performance, and projects to improve public safety and/or improve system reliability.

1
2
3 **Gas Reinforcement – Minor Blanket - 2013: \$395,000; 2014: \$1,000,000; 2015:**
4 **\$1,000,000**

5 This annual project will reinforce portions of the existing natural gas system to
6 ensure continued reliable service during a design day for areas that have had low
7 pressure problems due to increased growth and/or system demand. This project will
8 identify and install new sections of gas main to improve the operating reliability and
9 performance of the gas distribution system. Execution of this program on an annual
10 basis will ensure the continuation of reliable gas service that is of adequate pressure
11 and capacity.

12
13 **Gas Replacement Street/Highways - 2013: \$1,938,000; 2014: \$4,500,000; 2015:**
14 **\$4,500,000**

15 This annual project will replace sections of existing natural gas piping that require
16 replacement due to relocation or improvement of streets or highways in areas where
17 natural gas piping is installed. Avista installs many of its facilities in public right-of-
18 way under established franchise agreements. Avista is required under the franchise
19 agreements, in most cases, to relocate its facilities when they are in conflict with road
20 or highway improvements.

21
22 **Gas Telemetry - 2013: \$98,000; 2014: \$400,000; 2015: \$400,000**

23 The projects will include the installation of six flow computers to replace existing
24 aging infrastructure. Additionally this project includes all new telemetry
25 installations, to include both wireless and hard wired.

26
27 **Isolated Steel Replacement - 2013: \$1,121,000; 2014: \$2,598,000; 2015:**
28 **\$2,818,000**

29 The Company is implementing a special cathodic protection program for the purpose
30 of finding and addressing isolated steel in its natural gas piping systems.

31
32 **Over Built Pipe Replacement Blanket - 2013: \$390,000; 2014: \$900,000; 2015:**
33 **\$900,000**

34 This annual project will replace sections of existing gas piping that have experienced
35 encroachment or have been overbuilt i.e., where a structure has been built over
36 existing gas piping. It will address the replacement of sections of gas main that no
37 longer can be operated safely and will identify and replace sections of main to
38 improve public safety. All types of overbuilds will be addressed with the primary
39 focus of the project being overbuilds in manufactured home developments.

40
41 **Regulator Station Reliability Replacement Projects - 2013: \$218,000; 2014:**
42 **\$600,000; 2015: \$800,000**

43 This annual project upgrades or replaces various regulator stations within the natural
44 gas distribution system, improving station reliability and reducing operation and

1 maintenance costs. Existing stations require upgrades due to many factors, such as
2 replacement of obsolete equipment and improvement in regulation technology.
3

4 **Replace Deteriorating Steel Gas Systems - 2013: \$495,000; 2014: \$800,000;**
5 **2015: \$1,000,000**

6 This annual program will replace sections of existing steel gas piping that are suspect
7 for failure or are showing signs of deterioration within the gas system. This program
8 will address the replacement of sections of gas main with corrosion related issues
9 that no longer operate reliably and/or safely. Sections of the gas system require
10 replacement due to many factors including material failures, environmental impact,
11 increased leak frequency, or coating problems. This program will identify and
12 replace sections of steel pipe to improve public safety and system reliability. The
13 projects' primary focus is to address corrosion related pipe issues.
14

15 **Gas PMC Program-Capital Replacements - 2014: \$1,000,000; 2015: \$1,030,000**

16 This annual program will provide for replacement of gas meters and associated
17 measurement equipment that are completed in association with the Gas Planned
18 Meter Change-out (PMC) program. Avista is required by commission rules and an
19 approved Tariff in WA, ID, and OR to test meters for accuracy and ensure proper
20 metering performance. Execution of this program on an annual basis will ensure the
21 continuation of reliable gas measurement. This program will include the labor and
22 minor materials associated with the PMC program.
23

24 **ERTs Replacement Program - 2015: \$902,000**

25 This program covers labor required for the replacement of 19,500 gas Encoder
26 Receiver Transmitter (ERTs) annually for a 12-year cycle, beginning in the year
27 2015. Analyses has identified that a levelized replacement strategy will minimize the
28 effect of unit failures as well as introduce new, levelized populations of ERTs into
29 the system for future predictive maintenance. Large populations of ERTs are
30 predicted to fail in quantities of over 20,000 units per year at the peak, causing an
31 operations burden of personnel and equipment as well as an unreasonable number of
32 estimated bills (currently Avista experiences just a couple hundred failures annually
33 due to small ERT populations).
34

35 **Goldendale HP - 2015: \$3,500,000**

36 The coating on the existing high pressure (HP) main that feeds the town of
37 Goldendale is disbanded and is showing signs of early stages of corrosion. This line
38 has been exposed in several different locations, and all sections have similar
39 characteristics. Avista will replace nearly 3 miles of 4" HP feeding the town of
40 Goldendale with new 4" steel main. Federal code mandates that the coating on steel
41 mains must be properly adhered to the main to protect the pipe from corrosion.
42

43 **Reinforcement, Hwy 2 Kaiser - 2015: \$1,400,000**

This project will reinforce the area north of the former Kaiser Aluminum property along Hwy 2. The distribution system in this area is not able to reliably serve customers on a design day. Additionally, Avista serves the Inland Asphalt plant located north of this and cannot reliably serve this customer in the spring and fall. Approximately 8,000' of 6" high-pressure steel will be installed. Engineering to start in 2014, construction planned for 2015. This project is the top reinforcement priority for the Spokane area.

Q. What is the net change to electric rate base for the July 2013 through December 2015 capital investment?

A. Electric net rate base for capital investment would increase \$127,613,000, from \$1,192,492,000 (after restating adjustment) to \$1,320,105,000. Table No. 11 below summarizes the impact of this capital investment.

Table No. 11:

		Planned Investment										
(\$000's)		2013			2014			2015				
		Jul-Dec		Jul-Dec		Jul-Dec						
Rate Base		Adjust	2013	Adjust	2013	2014		Adjust	2013	2014	2015	
6.30.13 EOP		6.30.13	Capital	6.30.13	Capital	Capital		6.30.13	Capital	Capital	Capital	Rate Base
		Vintage	Additions	Vintage	Additions	Additions		Vintage	Additions	Additions	Additions	2015 AMA
		to	to	to	to	to 2014		to 2015	to 2015	to 2015	to 2015	
		12.31.13	12.31.13	12.31.14	12.31.14	EOP		AMA	AMA	AMA	AMA	2015 AMA
Plant	\$2,161,707	\$ -	\$ 71,104	\$ -	\$ -	\$ 151,375		\$ -	\$ -		\$ 61,205	\$ 2,445,391
A/D	\$ (749,269)	(30,673)	(879)	(61,346)	(4,225)	(2,489)		(30,673)	(2,112)	(3,387)	(1,437)	\$ (886,490)
DFIT	\$ (219,946)	(5,964)	-	(4,841)	-	(3,887)		103	-	(2,868)	(1,393)	\$ (238,796)
Rate Base	\$1,192,492	\$(36,637)	\$ 70,225	\$(66,187)	\$ (4,225)	\$ 144,999		\$(30,570)	\$ (2,112)	\$ (6,255)	\$ 58,375	\$ 1,320,105

Q. What is the net change to natural gas rate base for the July 2013 through December 2015 capital investment?

A. Natural gas net rate base for capital investment would increase \$30,083,000, from \$202,648,000 (after restating adjustment) to \$232,731,000. Table No. 12 below summarizes the impact of this capital investment.

1 **Table No. 12:**

2

3

4

5

6

7

		Planned Investment										
(S000's)		2013		2014			2015					
		Jul-Dec 2013		Jul-Dec 2013		Jul-Dec						
		Adjust 6.30.13	Capital Additions to 12.31.13	Adjust 6.30.13	Capital Additions to 12.31.14	2014 Capital Additions to 2014 EOP	Adjust 6.30.13	Capital Additions to 2015 AMA	2014 Capital Additions to 2015 AMA	2015 Capital Additions to 2015 AMA		
Rate Base 6.30.13 EOP		EOP	EOP	EOP	EOP	EOP	Vintage to 2015 AMA	to 2015 AMA	to 2015 AMA	to 2015 AMA	Rate Base 2015 AMA	
Plant	\$ 385,178	\$ -	\$ 18,925	\$ -	\$ -	\$ 31,975	\$ -	\$ -	\$ -	\$ 12,498	\$ 448,576	
A/D	\$ (133,300)	(5,978)	(276)	(11,956)	(1,171)	(667)	(5,979)	(586)	(839)	(355)	\$(161,107)	
DFIT	\$ (49,230)	(1,374)	-	(1,777)	-	(969)	(400)	-	(715)	(273)	\$(54,738)	
Rate Base	\$ 202,648	\$ (7,352)	\$ 18,649	\$(13,733)	\$ (1,171)	\$ 30,339	\$ (6,379)	\$ (586)	\$ (1,554)	\$ 11,870	\$ 232,731	

8 **Q. How were the offsets determined for the July 2013 through December**
9 **2015 plant investment?**

10 A. Each capital addition was analyzed to determine any offsets (e.g. reduced
11 O&M costs, reduced load losses, etc.). Maintenance records were reviewed to determine
12 whether any specific maintenance costs were incurred in the test period that would be
13 reduced or eliminated by the investment at the facility. For transmission projects, analyses
14 were conducted to determine the amount of potential load loss savings that would be
15 achieved. Those costs were quantified and included as a reduction to O&M costs in the
16 O&M Savings pro forma adjustment included by Ms. Andrews in the revenue requirement
17 as a part of her Attrition study.

18 In addition, the output from generation assets is included in the AURORA_{XMP} power
19 cost model. Therefore, to the extent that the additional investments serve to either preserve
20 or increase generation from the generation projects, the benefits are already reflected in the
21 AURORA_{XMP} model.

1 **Q. What is the rationale behind the removal of capital expenditures for**
2 **connecting new customers, in the Pro Forma Cross Check Study?**

3 A. The capital expenditures for the period July 2013 through December 2015
4 exclude distribution-related capital expenditures made that are associated with connecting
5 new customers to the Company’s system. Excluding these capital expenditures from the Pro
6 Forma Cross Check Study recognizes the fact that new customers provide incremental
7 revenue that helps offset the costs associated with these distribution-related capital additions.
8

9 **V. COMPLIANCE WITH PAST COMMISSION ORDER ON CAPITAL**
10 **EXPENDITURE REPORTING**

11 **Q. Is the Company in compliance with the most recent commission order**
12 **regarding capital addition compliance reports?**

13 A. Yes. In Order No. 09, Dockets UE-120436 and UG-120437, the Commission
14 Ordered the Company to file reports as noted in the below paragraph:

15 *“With regard to its planned capital expenditures for calendar year*
16 *2013, Avista must file: (1) a progress report on its 2013 capital*
17 *expenditures on or before September 30, 2013; and (2) a*
18 *comprehensive report on the final totals for 2013 capital*
19 *expenditures on or before March 1, 2014.*

20
21 *As to the capital expenditures Avista plans to make in calendar*
22 *year 2014, the Company must file: (1) its capital expenditure plan*
23 *for 2014 on or before September 30, 2013; and (2) updates on*
24

1 *changes in meeting its capital expenditure plan for 2014 and*
2 *reports on progress in making such capital improvements on June*
3 *1, September 1, and December 1, 2014, respectively, for the*
4 *previous quarters⁶.”*

5 The Company filed its first Capital Compliance report on September 30, 2013 and will
6 file the additional required reports on March 1, June 1, September 1, and December 1,
7 2014 as described above. The September 30, 2013 report demonstrated that the planned
8 capital expenditures were occurring as anticipated.

9

10

VI. 2016 CAPITAL ADDITIONS

11

Q. Why has Avista included information regarding 2016 capital additions?

12

A. The Company has included 2016 information regarding capital additions to
13 provide an indication of the Company’s ongoing need for additional rate relief beyond
14 December 31, 2015. The 2016 plant additions⁷ have been included for information purposes
15 only and have not otherwise been included in the Company’s request. As discussed further in
16 Ms. Andrews and Mr. Thies’ testimony, the Company’s plans call for significant capital
17 expenditure requirements over the next five years.

18

Q. How were the Capital Additions for 2016 computed?

19

A. The capital investment for 2016 was derived as a part of the capital budget
20 process that was completed in the fall of 2013. The current forecasted capital spend for 2016

⁶ *WUTC v. Avista Corporation d/b/a Avista Utilities*, Dockets UE-120436 and UG-120437, Order 09, ¶¶ 114 and 115, December 26, 2012.

⁷ Distribution-related capital expenditures associated with connecting new customers to the Company’s system was excluded. The Pro Forma Cross Check Analysis does not include the increase in revenues from growth in the number of customers after the historical test year and therefore, the growth in plant investment associated with customer growth should also be excluded.

1 has been approved by the Board of Directors. Table No. 13 below, summarizes the gross
2 capital additions by functional group, and for further detail, please see Exhibit No. ___DBD-4.
3 The items listed in this table have the same types of projects as those described for the July
4 30, 2013 through December 31, 2015 additions discussed earlier in my testimony.

5 **Table No. 13:**

<u>\$ (000's)</u>	
Capital Additions by Functional Group (System):	<u>2016</u>
Generation/Production	\$ 75,191
General Plant	32,660
Natural Gas Distribution	41,217
Gas Underground Storage:	1,000
Transportation	6,700
Enterprise Technology	38,699
Transmission	45,417
Distribution	75,199
	<hr/>
	<u>\$ 316,082</u>

13 **Q. What is the net increase in electric rate base from AMA 2015 to AMA**
14 **2016 related to 2016 capital expenditures?**

15 A. Electric and Natural Gas net rate base for capital investment increased
16 \$73,436,000 from December 31, 2015 AMA balance of \$1,320,105,000 to \$1,393,541,000
17 at AMA December 31, 2016. This adjustment has two components: First, the December 31,
18 2015 AMA net plant balances, net of ADFIT, that were included in the Pro Forma Cross
19 Check Analysis have been adjusted to an December 31, 2016 AMA basis. Next the 2016
20 addition together with the associated A/D and ADFIT were included to a December 31, 2016
21 AMA basis.

1 **Q. What is the net increase in natural gas rate base from AMA 2015 to**
2 **AMA 2016 related to 2016 capital expenditures?**

3 A. Natural gas net rate base for capital investment increased \$12,196,000 from
4 December 31, 2015 AMA balance of \$232,731,000 to \$244,927,000 at AMA December 31,
5 2016. This adjustment has two components: First, the December 31, 2015 AMA net plant
6 balances, net of ADFIT, that were included in the Pro Forma Cross Check Analysis have
7 been adjusted to an December 31, 2016 AMA basis. Next the 2016 addition together with
8 the associated A/D and ADFIT were included to a December 31, 2016 AMA basis.

9 **Q. Does this conclude your pre-filed direct testimony?**

10 A. Yes, it does.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-14 _____

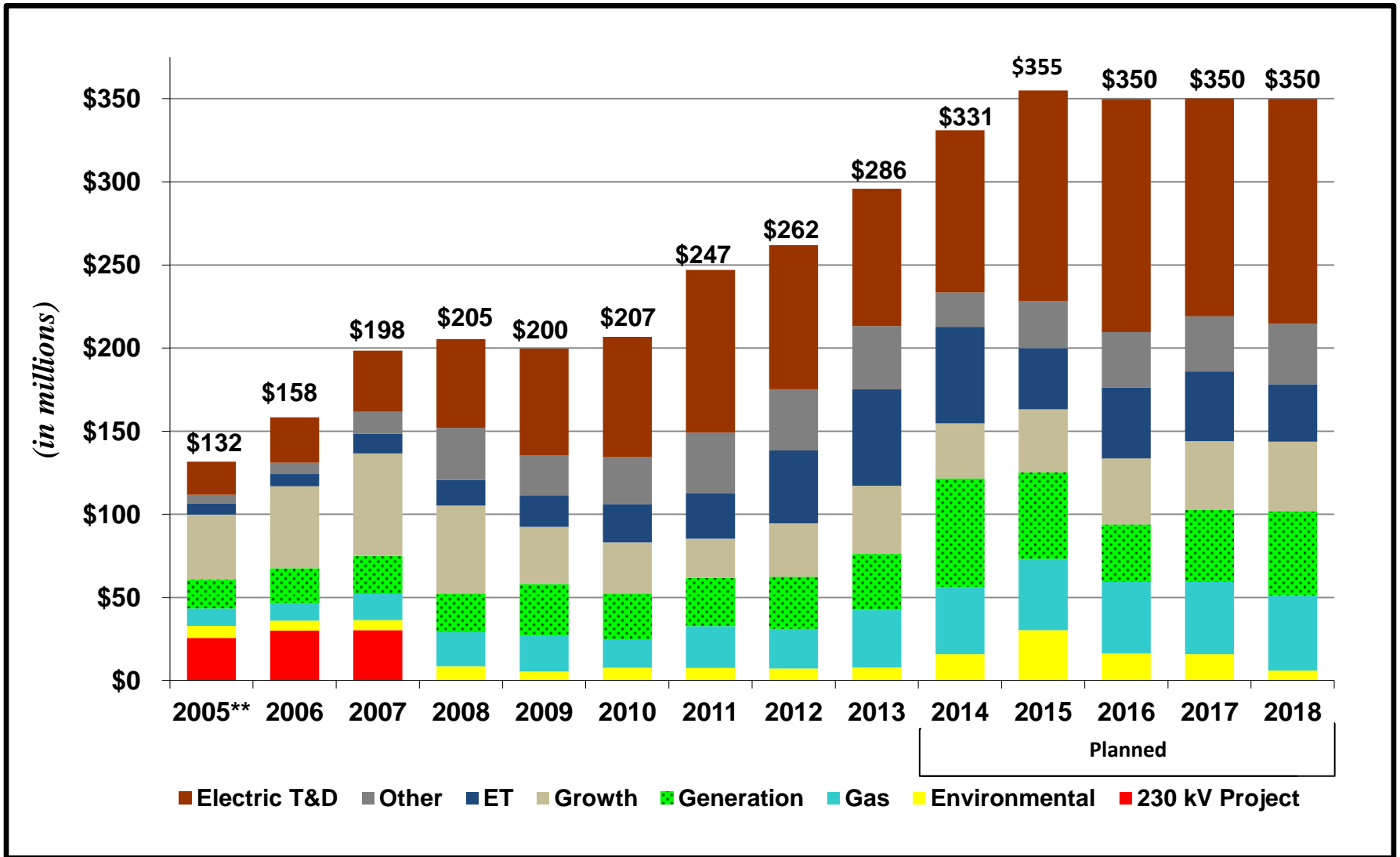
DOCKET NO. UG-14 _____

EXHIBIT NO. ____ (DBD-2)

DAVE B. DEFELICE

REPRESENTING AVISTA CORPORATION

Capital Expenditures



** 2005 excludes \$57.5 for the purchase of the second half of Coyote Springs 2 and \$17.8 for the office building purchase.



BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-14 _____

DOCKET NO. UG-14 _____

EXHIBIT NO. ____ (DBD-4)

DAVE B. DEFELICE

REPRESENTING AVISTA CORPORATION

Avista 2013 Capital Additions Detail (System)

Exhibit No. ____ (DBD- 5)		\$ (000's)
<u>Attachment No.</u>		
Generation / Production:		
GP-1	Hydro - Base Load Hydr	\$ 903
GP-2	Hydro - Clark Fork Settlement Agreement	1,719
GP-3	Hydro - Generation Battery Replacement	112
GP-4	Hydro - Hydro Safety Minor Blanke	50
GP-5	Hydro - Little Falls Plant Upgrade	27
GP-6	Hydro - Nine Mile Rehab	990
GP-7	Hydro - Regulating Hydr	3,292
GP-8	Hydro - Spokane River License Implementation	1,860
GP-9	Thermal - Base Load Thermal Plant	4,135
GP-10	Thermal - Peaking Generation	1,000
GP-11	Hydro - Post Falls Intake Gate	1
GP-12	Other - Coyote Springs LTSA	179
GP-13	Other - Rathdrum CT Upgrade Unit	45
		\$ 14,312
 General:		
G-1	Capital Tools & Stores Equipment	\$ 404
G-2	COF Long-Term Restructuring Plan	8,461
G-3	Dollar Rd Service Center Addition & Remodel	213
G-4	Structures and Improvements/Furniture	2,025
G-5	Clinic Expansion Project	150
G-6	Apprentice Training	10
G-7	HVAC Renovation Project	6,507
G-8	Microwave Refresh	3,171
		\$ 20,940
 Natural Gas Distribution:		
NGD-1	Aldyl A Replacement	\$ 8,463
NGD-2	Cathodic Protection	172
NGD-3	Gas Non-Revenue Program	4,728
NGD-4	Gas Reinforcement	395
NGD-5	Gas Replacement Street & Highway	1,938
NGD-6	Gas Telemetry	98
NGD-7	Isolated Steel Replacement	1,121
NGD-8	Overbuilt Pipe Replacement	390
NGD-9	Regulator Station Reliability Replacement	218
NGD-10	Replace Deteriorating Steel Gas Systems	495
		\$ 18,017
 Gas Underground Storage:		
GUS-1	Jackson Prairie Storage	\$ 450
		\$ 450
 Transportation:		
T-1	CNG Fleet Conversion	\$ 932
T-2	Fleet Budget	4,287
		\$ 5,219

Avista 2013 Capital Additions Detail (System)

Exhibit No. ___(DBD- 5)				
<u>Attachment No.</u>		<u>\$ (000's)</u>		
Enterprise Technology:				
ET-1	AvistaUtilities.com and AvaNet Redesign			\$ 1,000
ET-2	Enterprise Business Continuity Plan			339
ET-3	Mobility in the Field			113
ET-4	Technology Refresh to Sustain Business Process			10,919
ET-5	Customer Information System Replacement			9,184
ET-6	Enterprise Security			1,530
ET-7	Technology Expansion to Enable Business Process			3,311
ET-8	Radio Telephone Communications Console System			(3)
ET-9	High Voltage Protection for Substations			1,457
ET-10	Next Generation Radio Refresh			1,999
				\$ 29,849
Total				
Transmission &				
	Electric Transmission / Distribution:	Transmission	Distribution	Distribution
ETD-1	Colstrip Transmission/PNACI	\$ 40	\$ -	\$ 40
ETD-2	Distribution Grid Modernization	-	6,630	6,630
ETD-3	Distribution Line Protection	-	253	253
ETD-4	Distribution Minor Rebuild	-	4,792	4,792
ETD-5	Distribution Transformer Change-Out Program	-	813	813
ETD-6	Distribution Wood Pole Management	-	4,435	4,435
ETD-8	Electric Replacement/Relocation	-	1,279	1,279
ETD-9	Environmental Compliance	150	63	213
ETD-10	Primary URD Cable Replacement	-	737	737
ETD-11	Reconductors and Rebuilds	4,271	-	4,271
ETD-12	Segment Reconductor and FDR Tie Program	-	1,473	1,473
ETD-13	Spokane Electric Network	-	1,413	1,413
ETD-14	Storms	1,096	1,888	2,984
ETD-15	Substation - 115 kV Line Relay Upgrades	350	-	350
ETD-16	Substation - Asset Mgmt. Capital Maintenance	1,689	97	1,786
ETD-17	Substation - Capital Spares	464	31	495
ETD-18	Substation - Distribution Station Rebuilds	6	2,460	2,466
ETD-19	Substation - New Distribution Stations	-	373	373
ETD-20	Tribal Permits and Settlements	103	-	103
ETD-21	Worst Feeders	-	500	500
ETD-22	Spokane Valley Transmission Reinforcement	845	151	997
ETD-24	Franchising for WSDOT	-	42	42
ETD-26	Moscow 230 Substation Rebuild	6,686	-	6,686
ETD-27	Smart Grid Demonstration Project	-	360	360
ETD-28	Transmission - Asset Management	546	-	546
ETD-29	Transmission - NERC High Priority Mitigation	1,350	-	1,350
ETD-33	SCADA - SOO & BUCC	133	-	133
ETD-34	Smart Grid Workforce Training Grant - DOE	-	360	360
ETD-35	Spokane Smart Circuit	-	1,104	1,104
ETD-36	Thornton 230 kV Switching Station	14	-	14
ETD-37	Westside Property Purchase	70	-	70
ETD-32 *	Ram Rat 2 US 95 Widening	-	816	816
		\$ 17,813	\$ 30,069	\$ 47,883
Total Non-Revenue Capital				\$ 136,670
Growth/Revenue - Producing				\$ 17,125
Total Idaho Direct Capital Additions 2013				\$ 5,509
Total Oregon Direct Capital Additions 2013				\$ 3,017
Total Capital Additions in 2013				\$ 162,321

* It was determined after finalizing the pro forma cross check analysis, that this business case was inadvertently included in revenue requirement. Therefore, there is no business case attached.

Avista 2014 Capital Additions Detail (System)

Exhibit No. ___(DBD- 5)		
Attachment No.	Generation / Production:	\$ (000's)
GP-1	Hydro - Base Load Hydr	\$ 1,000
GP-2	Hydro - Clark Fork Settlement Agreement	10,830
GP-3	Hydro - Generation Battery Replacement	100
GP-4	Hydro - Hydro Safety Minor Blanke	65
GP-5	Hydro - Little Falls Plant Upgrade	9,000
GP-6	Hydro - Nine Mile Rehab	9,208
GP-7	Hydro - Regulating Hydro	2,500
GP-8	Hydro - Spokane River License Implementation	4,815
GP-9	Other - Base Load Thermal Plant	2,200
GP-10	Other - Peaking Generation	500
GP-14	Hydro - Long Lake Replace Field Windings	800
GP-15	Hydro - Noxon Spare Coils	1,350
GP-16	Other - CS2 Inlet Air Sys	500
GP-17	Thermal - Colstrip Thermal Capital	8,004
GP-18	Thermal - Kettle Falls Water Supply	1,615
		\$ 52,488
	General:	
G-1	Capital Tools & Stores Equipment	\$ 1,937
G-2	COF Long-Term Restructuring Plan	2,000
G-4	Structures and Improvements/Furniture	3,353
G-6	Apprentice Training	60
G-7	HVAC Renovation Project	2,000
G-8	Microwave Refresh	1,625
G-10	Mechanical Shop 3 Ton Crane	154
G-11	Transmission Outage Management	300
		\$ 11,429
	Natural Gas Distribution:	
NGD-1	Aldyl A Replacement	\$ 16,452
NGD-2	Cathodic Protection	800
NGD-3	Gas Non-Revenue Program	7,402
NGD-4	Gas Reinforcement	1,000
NGD-5	Gas Replacement Street & Highway	4,500
NGD-6	Gas Telemetry	400
NGD-7	Isolated Steel Replacement	2,598
NGD-8	Overbuilt Pipe Replacement	900
NGD-9	Regulator Station Reliability Replacement	600
NGD-10	Replace Deteriorating Steel Gas Systems	800
NGD-12	Gas PMC Program - Capital Replacements	1,000
		\$ 36,453
	Gas Underground Storage:	
GUS-01	Jackson Prairie Storage	\$ 500
		\$ 500
	Transportation:	
T-1	CNG Fleet Conversion	\$ 200
T-2	Fleet Budget	5,586
		\$ 5,786

Avista 2014 Capital Additions Detail (System)

Exhibit No. ___(DBD- 5)				
Attachment No.		\$ (000's)		
Enterprise Technology:				
ET-1	AvistaUtilities.com and AvaNet Redesign			\$ 1,538
ET-2	Enterprise Business Continuity Plan			482
ET-3	Mobility in the Field			690
ET-4	Technology Refresh to Sustain Business Process			13,862
ET-5	Customer Information System Replacement			67,341
ET-6	Enterprise Security			2,183
ET-7	Technology Expansion to Enable Business Process			3,836
ET-9	High Voltage Protection for Substations			2,014
ET-10	Next Generation Radio Refresh			7,235
ET-11	GridGlo GFX Integration			240
				\$ 99,421
Electric Transmission / Distribution:				
		Transmission	Distribution	Total Transmission & Distribution
ETD-1	Colstrip Transmission/PNACI	\$ 369	\$ -	\$ 369
ETD-2	Distribution Grid Modernization	-	9,450	9,450
ETD-3	Distribution Line Protection	-	250	250
ETD-4	Distribution Minor Rebuild	-	8,300	8,300
ETD-5	Distribution Transformer Change-Out Program	-	4,700	4,700
ETD-6	Distribution Wood Pole Management	-	14,680	14,680
ETD-8	Electric Replacement/Relocation	-	2,300	2,300
ETD-9	Environmental Compliance	100	150	250
ETD-10	Primary URD Cable Replacement	-	1,000	1,000
ETD-11	Reconductors and Rebuilds	9,297	2,500	11,797
ETD-12	Segment Reconductor and FDR Tie Program	-	2,653	2,653
ETD-13	Spokane Electric Network	-	2,300	2,300
ETD-14	Storms	1,100	2,200	3,300
ETD-15	Substation - 115 kV Line Relay Upgrades	950	-	950
ETD-16	Substation - Asset Mgmt. Capital Maintenance	2,600	1,500	4,100
ETD-17	Substation - Capital Spares	750	2,300	3,050
ETD-18	Substation - Distribution Station Rebuilds	500	2,730	3,230
ETD-19	Substation - New Distribution Stations	-	379	379
ETD-20	Tribal Permits and Settlements	495	-	495
ETD-21	Worst Feeders	-	1,500	1,500
ETD-22	Spokane Valley Transmission Reinforcement	1,900	-	1,900
ETD-23	Clearwater Sub Upgrades	2,700	-	2,700
ETD-24	Franchising for WSDOT	-	265	265
ETD-25	Harrington 4 kV Cutover	-	1,000	1,000
ETD-26	Moscow 230 Substation Rebuild	5,853	-	5,853
ETD-27	Smart Grid Demonstration Project	-	525	525
ETD-28	Transmission - Asset Management	1,315	-	1,315
ETD-29	Transmission - NERC High Priority Mitigation	1,900	-	1,900
ETD-30	Transmission - NERC Low Priority Mitigation	250	-	250
ETD-31	Transmission - NERC Medium Priority Mitigation	1,693	-	1,693
ETD-33	SCADA - SOO & BUCC	1,090	-	1,090
		\$ 32,863	\$ 60,682	\$ 93,545
	Total Non-Revenue Capital			\$ 299,621
	Growth/Revenue - Producing			\$ 26,588
	Total Idaho Direct Capital Additions 2014			\$ 13,626
	Total Oregon Direct Capital Additions 2014			\$ 280
	Total Capital Additions in 2014			\$ 340,115

Avista 2015 Capital Additions Detail (System)

Exhibit No. ____ (DBD- 5) Attachment No.		\$ (000's)
Generation / Production:		
GP-1	Hydro - Base Load Hydr	\$ 1,000
GP-2	Hydro - Clark Fork Settlement Agreement	7,081
GP-3	Hydro - Generation Battery Replacement	183
GP-4	Hydro - Hydro Safety Minor Blanke	70
GP-5	Hydro - Little Falls Plant Upgrade	6,500
GP-6	Hydro - Nine Mile Rehab	47,044
GP-7	Hydro - Regulating Hydr	3,000
GP-8	Hydro - Spokane River License Implementation	462
GP-9	Other - Base Load Thermal Plant	2,200
GP-10	Other - Peaking Generation	500
GP-14	Hydro - Long Lake Replace Field Windings	2,430
GP-17	Thermal - Colstrip Thermal Capital	3,177
GP-19	Hydro - Post Falls South Channel Replacement	11,008
GP-20	Hydro - Cabinet Gorge Unit 1 Refurbishment	11,400
GP-21	Thermal - KFGS Ash Collector	1,907
		<u>\$ 97,962</u>
 General:		
G-1	Capital Tools & Stores Equipment	\$ 2,348
G-2	COF Long-Term Restructuring Plan	1,500
G-4	Structures and Improvements/Furniture	3,600
G-6	Apprentice Training	60
G-7	HVAC Renovation Project	8,000
G-8	Microwave Refresh	1,073
G-12	New Deer Park Service Center	2,500
G-13	COF Long-term Restructure Ph2	2,000
		<u>\$ 21,081</u>
 Natural Gas Distribution:		
NGD-1	Aldyl A Replacement	\$ 16,817
NGD-2	Cathodic Protection	800
NGD-3	Gas Non-Revenue Program	8,925
NGD-4	Gas Reinforcement	1,000
NGD-5	Gas Replacement Street & Highway	4,500
NGD-6	Gas Telemetry	400
NGD-7	Isolated Steel Replacement	2,818
NGD-8	Overbuilt Pipe Replacement	900
NGD-9	Regulator Station Reliability Replacement	800
NGD-10	Replace Deteriorating Steel Gas Systems	1,000
NGD-12	Gas PMC Program - Capital Replacements	1,030
NGD-14	ERTs Replacement Program	902
NGD-15	Goldendale HP	3,500
NGD-16	Reinforcement, Hwy 2 Kaiser	1,400
		<u>\$ 44,793</u>
 Gas Underground Storage:		
GUS-1	Jackson Prairie Storage	\$ 1,000
		<u>\$ 1,000</u>
 Transportation:		
T-1	CNG Fleet Conversion	\$ 200
T-2	Fleet Budget	6,500
		<u>\$ 6,700</u>

Avista 2015 Capital Additions Detail (System)

Exhibit No. ____ (DBD- 5)				
Attachment No.	Enterprise Technology:	\$ (000's)		
ET-1	AvistaUtilities.com and AvaNet Redesign			\$ 240
ET-2	Enterprise Business Continuity Plan			450
ET-3	Mobility in the Field			420
ET-4	Technology Refresh to Sustain Business Process			19,362
ET-6	Enterprise Security			2,185
ET-7	Technology Expansion to Enable Business Process			5,799
ET-9	High Voltage Protection for Substations			320
ET-10	Next Generation Radio Refresh			27
ET-12	Asset Facilities Management Application Migration			8,350
ET-13	Financial Forecast Model			500
				\$ 37,653
Electric Transmission / Distribution:				
		Transmission	Distribution	Total Transmission & Distribution
ETD-1	Colstrip Transmission/PNACI	\$ 208	\$ -	\$ 208
ETD-2	Distribution Grid Modernization	-	13,500	13,500
ETD-3	Distribution Line Protection	-	125	125
ETD-4	Distribution Minor Rebuild	-	8,300	8,300
ETD-5	Distribution Transformer Change-Out Program	-	6,900	6,900
ETD-6	Distribution Wood Pole Management	-	15,873	15,873
ETD-8	Electric Replacement/Relocation	-	2,400	2,400
ETD-9	Environmental Compliance	100	150	250
ETD-10	Primary URD Cable Replacement	-	1,000	1,000
ETD-11	Reconductors and Rebuilds	18,888	2,500	21,388
ETD-12	Segment Reconductor and FDR Tie Program	-	3,074	3,074
ETD-13	Spokane Electric Network	-	2,300	2,300
ETD-14	Storms	1,100	2,300	3,400
ETD-15	Substation - 115 kV Line Relay Upgrades	900	-	900
ETD-16	Substation - Asset Mgmt. Capital Maintenance	2,600	1,500	4,100
ETD-17	Substation - Capital Spares	7,745	800	8,545
ETD-18	Substation - Distribution Station Rebuilds	-	3,125	3,125
ETD-19	Substation - New Distribution Stations	-	2,045	2,045
ETD-20	Tribal Permits and Settlements	1,430	-	1,430
ETD-21	Worst Feeders	-	2,000	2,000
ETD-22	Spokane Valley Transmission Reinforcement	600	-	600
ETD-23	Clearwater Sub Upgrades	500	-	500
ETD-24	Franchising for WSDOT	-	195	195
ETD-25	Harrington 4 kV Cutover	-	2,000	2,000
ETD-28	Transmission - Asset Management	1,370	-	1,370
ETD-30	Transmission - NERC Low Priority Mitigation	500	-	500
ETD-31	Transmission - NERC Medium Priority Mitigation	3,294	-	3,294
ETD-33	SCADA - SOO & BUCC	515	-	515
ETD-38	Customer Prepay	-	1,997	1,997
ETD-39	Noxon Switchyard Rebuild	8,425	-	8,425
ETD-40	Street Light Management	-	2,320	2,320
		\$ 48,175	\$ 74,403	\$ 122,578
	Total Non-Revenue Capital			\$ 331,767
	Growth/Revenue - Producing			\$ 30,567
	Total Idaho Direct Capital Additions 2015			\$ 11,776
	Total Capital Additions in 2015			\$ 374,110

Avista 2016 Capital Additions Detail (System)

<u>Exhibit No. ____ (DBD- 5)</u>		<u>\$ (000's)</u>
<u>Attachment No.</u>		
	Generation / Production:	
GP-1	Hydro - Base Load Hydr	\$ 1,000
GP-2	Hydro - Clark Fork Settlement Agreemen	21,946
GP-3	Hydro - Generation Battery Replacement	115
GP-4	Hydro - Hydro Safety Minor Blanke	75
GP-5	Hydro - Little Falls Plant Upgrade	9,000
GP-6	Hydro - Nine Mile Rehab	13,801
GP-7	Hydro - Regulating Hydr	3,000
GP-8	Hydro - Spokane River License Implementation	16,222
GP-9	Other - Base Load Thermal Plant	2,205
GP-10	Other - Peaking Generation	500
GP-14	Hydro - Long Lake Replace Field Windings	170
GP-17	Thermal - Colstrip Thermal Capital	5,836
GP-22	Hydro - Cabinet Gorge Automation Replacement	715
GP-23	Hydro - Long Lake Plant Upgrades	605
		<u>\$ 75,191</u>
	General:	
G-1	Capital Tools & Stores Equipment	\$ 2,466
G-2	COF Long-Term Restructuring Plan	3,500
G-3	Dollar Rd Service Center Addition & Remodel	8,000
G-4	Structures and Improvements/Furniture	3,600
G-6	Apprentice Training	60
G-8	Microwave Refresh	4,034
G-13	COF Long-term Restructure Ph2	6,500
G-14	Jack Stewart Training Center Expansion	4,500
		<u>\$ 32,660</u>
	Natural Gas Distribution:	
NGD-1	Aldyl A Replacement	\$ 17,885
NGD-2	Cathodic Protection	800
NGD-3	Gas Non-Revenue Program	9,108
NGD-4	Gas Reinforcement	1,000
NGD-5	Gas Replacement Street & Highway	4,500
NGD-6	Gas Telemetry	400
NGD-7	Isolated Steel Replacement	2,818
NGD-8	Overbuilt Pipe Replacement	900
NGD-9	Regulator Station Reliability Replacement	800
NGD-10	Replace Deteriorating Steel Gas Systems	1,000
NGD-12	Gas PMC Program - Capital Replacements	1,061
NGD-14	ERTs Replacement Program	944
		<u>\$ 41,217</u>
	Gas Underground Storage:	
GUS-1	Jackson Prairie Storage	1,000
		<u>\$ 1,000</u>
	Transportation:	
T-1	CNG Fleet Conversion	\$ 200
T-2	Fleet Budget	6,500
		<u>\$ 6,700</u>

Avista 2016 Capital Additions Detail (System)

Exhibit No. ____ (DBD- 5)				
<u>Attachment No.</u>	Enterprise Technology:	<u>\$ (000's)</u>		
ET-2	Enterprise Business Continuity Plan			\$ 450
ET-3	Mobility in the Field			320
ET-4	Technology Refresh to Sustain Business Process			19,362
ET-6	Enterprise Security			2,186
ET-7	Technology Expansion to Enable Business Process			6,060
ET-9	High Voltage Protection for Substations			320
ET-12	Asset Facilities Management Application Migration			10,000
				<u>\$ 38,699</u>
Electric Transmission / Distribution:				
		<u>Transmission</u>	<u>Distribution</u>	<u>Total Transmission & Distribution</u>
ETD-1	Colstrip Transmission/PNACI	\$ 215	\$ -	\$ 215
ETD-2	Distribution Grid Modernization	-	21,000	21,000
ETD-3	Distribution Line Protection	-	125	125
ETD-4	Distribution Minor Rebuild	-	8,300	8,300
ETD-5	Distribution Transformer Change-Out Program	-	5,800	5,800
ETD-6	Distribution Wood Pole Management	-	16,093	16,093
ETD-8	Electric Replacement/Relocation	-	2,500	2,500
ETD-9	Environmental Compliance	100	150	250
ETD-11	Reconductors and Rebuilds	22,136	2,500	24,636
ETD-12	Segment Reconductor and FDR Tie Program	-	2,702	2,702
ETD-13	Spokane Electric Network	-	2,300	2,300
ETD-14	Storms	1,200	2,300	3,500
ETD-15	Substation - 115 kV Line Relay Upgrades	850	-	850
ETD-16	Substation - Asset Mgmt. Capital Maintenance	2,600	1,500	4,100
ETD-17	Substation - Capital Spares	1,800	765	2,565
ETD-18	Substation - Distribution Station Rebuilds	2,150	4,720	6,870
ETD-20	Tribal Permits and Settlements	315	-	315
ETD-21	Worst Feeders	-	2,000	2,000
ETD-22	Spokane Valley Transmission Reinforcement	6,440	-	6,440
ETD-23	Clearwater Sub Upgrades	500	-	500
ETD-24	Franchising for WSDOT	-	125	125
ETD-28	Transmission - Asset Management	1,425	-	1,425
ETD-30	Transmission - NERC Low Priority Mitigation	2,500	-	2,500
ETD-31	Transmission - NERC Medium Priority Mitigation	2,251	-	2,251
EDT-33	SCADA - SOO & BUCC	435	-	435
ETD-39	Noxon Switchyard Rebuild	500	-	500
ETD-40	Street Light Management	-	2,320	2,320
		<u>\$ 45,417</u>	<u>\$ 75,199</u>	<u>\$ 120,616</u>
	Total Non-Revenue Capital			<u>\$ 316,082</u>
	Growth/Revenue - Producing			<u>\$ 31,874</u>
	Total Idaho Direct Capital Additions 2016			<u>\$ 13,576</u>
	Total Capital Additions in 2016			<u>\$ 361,532</u>

Exhibit No. ____ (DBD-5)

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-14 _____

DOCKET NO. UG-14 _____

EXHIBIT NO. ____ (DBD-5)

DAVE B. DEFELICE

REPRESENTING AVISTA CORPORATION

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Base Load Hydro

ER No: 4147
ER Name: Base Hydro

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$4,596¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	903							3		-249			1,149
2014	1,000												1,000
2015	1,000												1,000
2016	1,000												1,000

Business Case Description:

This program is to cover the capital maintenance expenditures required to keep these plants operating within 90% of their current performance. The program will focus on ways to maintain compliance while maintaining reasonable unit availability. These plants are the Upper Spokane River plants, including Post Falls, Upper Falls, Monroe Street and Nine Mile.

Offsets:

There are no anticipated offsets with this business case.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Investment Business Case

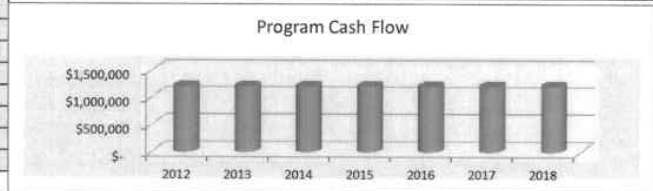
Investment Name:	Base Load Hydro	Assessments:	
Requested Amount	\$1,200,000	Financial:	High - Exceeds 12% CIRR
Duration/Timeframe	10 Year Program	Strategic:	Generating Fleet Modernization
Dept., Area:	GPSS	Operational:	Operations require execution to perform at current levels
Owner:	Andy Vickers	Business Risk:	ERM Reduction >5 and <= 10
Sponsor:	Jason Thackston	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Program	Assessment Score:	89
Mandate/Reg. Reference:	n/a	Annual Cost Summary - Increase/(Decrease)	

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program is to cover the capital maintenance expenditures required to keep these plants operating within 90% of their current performance (this assumes some degradation of performance over time.) The program will focus on ways to maintain compliance and reduce overall O&M expenses while maintaining a reasonable unit availability. These plants are the Upper Spokane River Plants. These include PF, UF, MS, NM	This program would systematically upgrade various equipment to improve	\$ 1,200,000	\$ -	\$ -	10

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo :	n/a	\$ 645,000	\$ -	\$ -	16
Alternative 1: Brief name of alternative (if applicable)	Current Unit availability has been declining over the past several years (see graph below). Status quo would anticipate a continuation of this general decline. This is due to the relative lower priority of these plants when contrasted to other generating assets.				
Alternative 1:	Fund this program at something above the historical amount would result in some improvement but would continue the declining rate of availability	\$ 750,000	\$ -	\$ -	0
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0

Program Cash Flows				
2012-2016				
	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 310,000	\$ -	\$ -	\$ 310,000
2012	\$ 1,200,000	\$ -	\$ -	\$ 1,149,000
2013	\$ 1,200,000	\$ -	\$ -	\$ 1,149,000
2014	\$ 1,200,000	\$ -	\$ -	\$ 1,149,000
2015	\$ 1,200,000	\$ -	\$ -	\$ 1,149,000
2016	\$ 1,200,000	\$ -	\$ -	\$ 1,149,000
2017	\$ 1,200,000	\$ -	\$ -	\$ 1,149,000
2018	\$ 1,200,000	\$ -	\$ -	\$ 1,149,000
Future	\$ 1,200,000	\$ -	\$ -	\$ -
Total	\$ 9,910,000	\$ -	\$ -	\$ 8,353,000

Associated Ers (list all applicable):			
4000	4106		
4003	4109		
4004	4117		
4104			



Mandate Excerpt (if applicable):
Within this program, there are some FERC and NERC mandated items that are included. These are expected to be managed as part of the overall program and are not considered as individual items here.

Additional Justifications:
The historical availability for the base load hydro plants has been declining over the past ten years due to deteriorating equipment and a need to replace some equipment and systems that are very old. The age of these plants (Post Falls 105 yrs old, Nine Mile 103 years old, and Upper Falls 90 years old) also create some issues due to the band aid investments that have been made over the years to address immediate problems rather than a programmatic approach as indicated by this program.

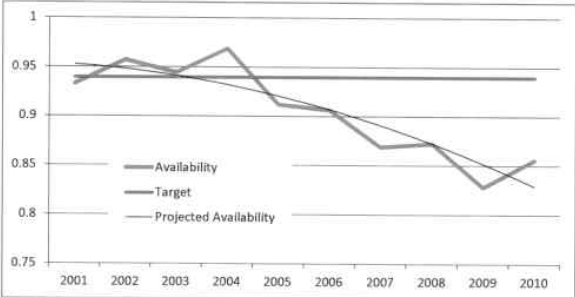
Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input checked="" type="checkbox"/> Low Probability	<input checked="" type="checkbox"/> Medium Probability	<input type="checkbox"/> High Probability	Enterprise Tech:	<input checked="" type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required



Capital Investment Business Case

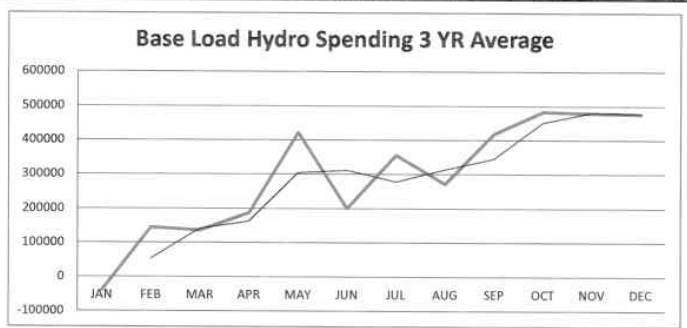
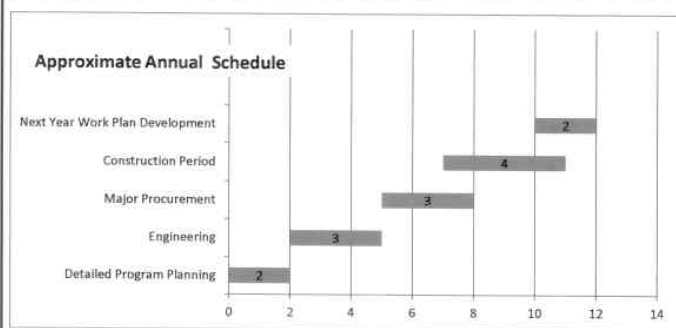
Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Unit Availability



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 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager



To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Clark Fork Settlement Agreement

ER No: ER Name:

6100 Clark Fork License/Compliance

6103 Clark Fork Implement PME Agreement

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$50,217¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	1,719							66	157	34		211	1,251
2014	10,830	42	47	722	740	4,951	101	107	757	766	748	736	1,110
2015	7,081	25	28	451	461	465	59	63	471	477	466	459	3,654
2016	21,946	54	69	535	568	572	100	115	555	584	561	542	17,690

Business Case Description:

Implementation of Protection, Mitigation and Enhancement (PM&E) programs. License is issued to Avista Corporation for a period of 45 years, effective March 1, 2001, to operate and maintain the Clark Fork Project No. 2058. The License includes hundreds of specific legal requirements, many of which are reflected in License Articles 404-430. These Articles derived from a comprehensive settlement agreement between Avista and over 20 other parties, including the States of Idaho and Montana, various federal agencies, five Native American tribes, and numerous Non Governmental Organizations. We are required to develop, in consultation with the Management Committee, a yearly work plan and report, addressing all PM&E measures of the License. In addition, implementation of these measures is intended to address ongoing compliance with Montana and Idaho Clean Water Act requirements, the Endangered Species Act (fish passage), and state, federal and tribal water quality standards as applicable. License articles also describe our operational requirements for items such as minimum flows, ramping rates and reservoir levels, as well as dam safety and public safety requirements.

Offsets:

There are no anticipated offsets with this business case.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Clark Fork Settlement Agreement	Assessments:	
Requested Amount	\$12,569,817	Financial:	High - Exceeds 12% CIRR
Duration/Timeframe	45 Year Program	Strategic:	Other
Dept., Area:	Environmental	Operational:	Operations require execution to perform at current levels
Owner:	Tim Swant (Mgr), Bruce Howard (Dir)	Business Risk:	ERM Reduction >10 and <= 15
Sponsor:	Marian Durkin	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Mandatory	Assessment Score:	174
Mandate/Reg. Reference:	n/a	Annual Cost Summary - Increase/(Decrease)	

Recommend Program Description: Implementation of Protection, Mitigation and Enhancement (PM&E) programs. License is issued to Avista Corporation for a period of 45 years, effective March 1, 2001, to operate and maintain the Clark Fork Project No. 2058. The License includes hundreds of specific legal requirements, many of which are reflected in License Articles 404-430. These Articles derived from a comprehensive settlement agreement between Avista and over 20 other parties, including the States of Idaho and Montana, various federal agencies, five Native American tribes, and numerous Non Governmental Organizations. We are required to develop, in consultation with the Management Committee, a yearly work plan and report, addressing all PM&E measures of the License. In addition, implementation of these measures is intended to address ongoing compliance with Montana and Idaho Clean Water Act requirements, the Endangered Species Act (fish passage), and state, federal and tribal water quality standards as applicable. License articles also describe our operational requirements for items such as minimum flows, ramping rates and reservoir levels, as well as dam safety and public safety requirements.	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
		\$ 12,569,817	\$ -	\$ -	4
Annual Cost Summary - Increase/(Decrease)					

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	If the PM&Es are not funded, there is potential for penalties/fines, new license requirements or alternative enforcement and higher mitigation costs, and/or loss of operational flexibility of the hydro facilities; in addition, we are subject to direct enforcement or lawsuits regarding the settlement.	n/a	\$ -	\$ -	From Moderate to Extreme	20
			\$ -	\$ -	\$ -	0
			\$ -	\$ -	\$ -	0
			\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):				
5 years of costs					6103 6100				
	Capital Cost	O&M Cost	Other Costs	Approved					
Previous	\$ -	\$ -	\$ -	\$ -					
2012	\$ -	\$ -	\$ -	\$ 5,728,500					
2013	\$ 5,348,751	\$ -	\$ -	\$ 5,475,220					
2014	\$ 12,569,817	\$ -	\$ -	\$ 12,569,817					
2015	\$ 18,760,951	\$ -	\$ -	\$ 18,760,951					
2016	\$ 13,410,790	\$ -	\$ -	\$ 13,410,790					
2017	\$ 15,056,504	\$ -	\$ -	\$ 15,056,504					
2018	\$ 5,139,269	\$ -	\$ -	\$ 5,139,269					
Total	\$ 50,090,309	\$ -	\$ -	\$ 55,945,278					

Mandate Excerpt (if applicable):
 Article 401. The licensee shall comply with the terms and conditions of this license in accordance with the Clark Fork Settlement Agreement (CFSA) (License Application Volume III) Entered into January 28, 1999, in addition to the articles set forth within the FERC project 2058-014

Additional Justifications:
 The CFSA establishes processes and includes measures for resolving a wide range of complex and conflicting areas of interest to 27 various parties. Under this agreement, Avista will work with a Management Committee comprised of one representative of each of the parties to implement the PM&E measures.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: <input type="checkbox"/> Low Probability <input type="checkbox"/> Medium Probability <input checked="" type="checkbox"/> High Probability	Enterprise Tech: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).
Contract Labor: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Facilities: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Capital Tools: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Fleet: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	

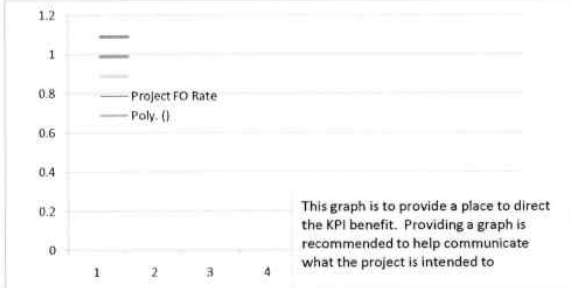
Capital Program Business Case



Key Performance Indicator(s)


Expected Performance Improvements

KPI Measure: Fill in the name of the KPI here
Fill in the name of the KPI here



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 Director/Manager

Other Party Review signature 
 (if necessary) Director/Manager

Capital Budget Projections

	2014	2015	2016	2017	2018	
ER 6103	3,687,817	3,827,951	4,023,790	4,225,504	4,352,269	Core PME: assumes 3% labor change, 3% ave GDP and int adjustment (10 year historical review)
Guy	1,317,000	2,103,000	2,322,000	2,566,000	12,000	Spillway Crest modifications for TDG: assumes repairs to Bay 2 are complete in 2013 and revised design are completed in late 2013 early 2104. Modify 1 bay in 2014, 2 bays in 2015, 2 bays in 2016, and 2 bays in 2017
Bruce	225,000	340,000	425,000	245,000	375,000	Tributary traps for downstream passage: assumes feasibility study and design 2014 - 2015, with construction anticipated in 2016
	4,900,000	9,900,000	2,500,000	-	-	Cabinet Gorge fishway: assumed to be started post spill 2014 and completed by the start of Q3 2016
	390,000	590,000	3,920,000	7,620,000	-	Nonon Rapids fishway: assumes project on hold at 30% level with construction to begin 2016. Some background project work would continue.
Min Flow	250,000	200,000	100,000	100,000	100,000	
Clark Fork Delta	1,500,000	1,500,000	-	-	-	erosion remediation with Avista contributing 15-25% to the erosion loss. Project to begin in the fall of 2014 through 2015.
Permitting & Additional Labor	200,000	200,000	70,000	200,000	200,000	permitting needs on all construction: Fishway Projects & GSCP change in management of Spillway Crest and additional anticipated labor expenses
ER 6100	100,000	100,000	100,000	100,000	100,000	Ongoing non-PME capital for facilities maintenance.
B04	12,569,817	18,760,951	13,410,790	15,056,504	5,139,269	

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Generation Battery Replacement

ER No: ER Name:

4108 System Battery Replacement

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$509¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	112									1			111
2014	100												100
2015	183												183
2016	115												115

Business Case Description:

This program is set up around an asset management plan for the station batteries in all generating stations. This is the same as the current battery replacement item. This item will also have some minor fluctuations as the number and size of batteries in any one year can change.

Offsets:

There are no anticipated offsets with this business case.

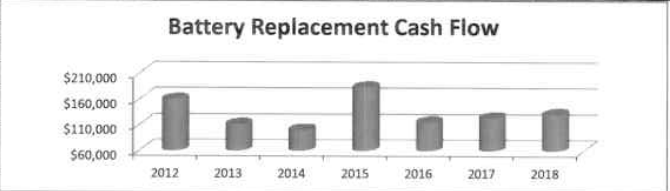
¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Investment Business Case

Investment Name:	Generation Battery Replacement					
Requested Amount	\$160,000					
Duration/Timeframe	20 Year Program					
Dept., Area:	GPSS					
Owner:	Andy Vickers					
Sponsor:	Jason Thackston					
Category:	Program					
Mandate/Reg. Reference:	n/a					
		Assessments:				
		Financial:	Low - >0% and < 5% CIRR			
		Strategic:	Life Cycle Programs			
		Operational:	Operations somewhat impacted by execution			
		Business Risk:	ERM Reduction >5 and <= 10			
		Program Risk:	High certainty around cost, schedule and resources			
		Assessment Score:	72			
Recommend Program Description:		Annual Cost Summary - Increase/(Decrease)				
This program is set up around an asset management plan for the station batteries in all generating stations. This is the same as the current Battery replacement item. This item will also have some minor fluctuations as the number and size of batteries in any one year can change.		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
		Forced outages from battery failures	\$ 160,000	\$ -	\$ -	0
		Annual Cost Summary - Increase/(Decrease)				
Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo :	We currently have a battery replacement program in place	n/a	\$ 120,000	\$ -	\$ -	0
Alternative 1: Brief name of alternative (if applicable)	Failure to replace batteries on a planned basis will result in system failures of a battery and subsequently place an entire generating asset and public at risk due to loss of protection and control of the systems.	possible outages and equipment failures	\$ -	\$ -	\$ -	0
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):				
2012-2016					4108				
	Capital Cost	O&M Cost	Other Costs	Approved					
Previous	\$ 10,000	\$ -	\$ -	\$ 10,000					
2012	\$ 160,000	\$ -	\$ -	\$ 160,000					
2013	\$ 111,000	\$ -	\$ -	\$ 111,000					
2014	\$ 100,000	\$ -	\$ -	\$ 100,000					
2015	\$ 183,000	\$ -	\$ -	\$ 183,000					
2016	\$ 115,000	\$ -	\$ -	\$ 115,000					
2017	\$ 124,000	\$ -	\$ -	\$ 124,000					
2018	\$ 131,000	\$ -	\$ -	\$ 131,000					
Future	\$ 201,000	\$ -	\$ -	\$ -					
Total	\$ 1,135,000	\$ -	\$ -	\$ 934,000					



Mandate Excerpt (if applicable):
 n/a

Additional Justifications:
 This is part of a life cycle program for battery replacement. While there is little to measure the benefits from this program, failure to execute this program results in unplanned system battery failures. We have experienced these failures in the recent past and had been fortunate that we did not loose control of the plant. When a battery fails, there is a risk of loss of control, loss of protection, and the possibility of extensive damage to powerhouse equipment due to the excess low voltage or loss of control. The DC system is the one system that must be near fail safe in order to protect both property and personnel.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required



Capital Investment Business Case

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here

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 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Program

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Hydro Safety Minor Blanket

ER No: ER Name:

6001 Hydro Generation Minor Blanket

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$215¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	50												50
2014	65												65
2015	70												70
2016	75												75

Business Case Description:

Funds periodic capital purchases and projects to ensure public safety at hydro facilities, on and off water, in context of FERC regulatory and license requirements. Hydro Public Safety measures as described in the Federal Energy Regulation Commission (FERC) publication "Guidelines for Public Safety at Hydropower Projects" and as documented in Avista's Hydro Public Safety Plans for each of its hydro facilities.

Offsets:

There are no anticipated offsets with this business case.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Hydro Safety Minor Blanket	Assessments:	Financial:	MH - >= 9% & <12% CIRR		
Requested Amount	\$65,000		Strategic:	Other		
Duration/Timeframe	Lifetime Year Program		Operational:	Operations require execution to perform at current levels		
Dept., Area:	Environmental		Business Risk:	ERM Reduction >10 and <= 15		
Owner:	Michele Drake (Coor); Bruce Howard (Dir)		Program Risk:	Moderate certainty around cost, schedule and resources		
Sponsor:	Marian Durkin		Assessment Score:	160		
Category:	Mandatory		Annual Cost Summary - Increase/(Decrease)			
Mandate/Reg. Reference:	FERC Hydro Public Safety Guidelines		Performance	Capital Cost	O&M Cost	Other Costs

Recommend Program Description:	Funds periodic capital purchases and projects to ensure public safety at hydro facilities, on and off water, in context of FERC regulatory and license requirements	n/a	\$ 65,000	\$ -	\$ -	4
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Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Alternative 1: Funded	Funding of this program reduces liability risk and improves public safety on and near the Hydro Facilities. These requirements come from Federal Law and are referenced as part of our hydro licenses from FERC.	n/a	\$ 65,000	\$ -	\$ -	20
Alternative 2: Unfunded	Potential compliance issues and possible fines imposed. Potential for loss of life or injury and increased legal litigation associated with recreational liability.		\$ -	\$ -	from moderate to extreme	4

Program Cash Flows					Associated Ers (list all applicable):				
5 years of costs					Current ER 6001				
	Capital Cost	O&M Cost	Other Costs	Approved					
Previous	\$ -	\$ -	\$ -	\$ -					
2012		\$ -	\$ -	\$ 35,000					
2013		\$ -	\$ -	\$ 5,000					
2014	\$ 65,000	\$ -	\$ -	\$ 65,000					
2015	\$ 70,000	\$ -	\$ -	\$ 70,000					
2016	\$ 75,000	\$ -	\$ -	\$ 75,000					
2017	\$ 80,000	\$ -	\$ -	\$ 80,000					
2018	\$ 80,000	\$ -	\$ -	\$ 80,000					
Total	\$ 210,000	\$ -	\$ -	\$ 250,000					

Mandate Excerpt (if applicable):
 Section 10© of the Federal Power Act authorizes the FERC to establish regulations requiring owners of hydro projects under its jurisdiction to operate and properly maintain such projects for the protection of life, health and property. Title 18, Part 12, Section 42 of the Code of Federal Regulations states that, "To the satisfaction of, and within a time specified by the Regional Engineer an applicant, or licensee must install, operate and maintain any signs, lights, sirens, barriers or other safety devices that may reasonably be necessary."

Additional Justifications:
 Hydro Public Safety measures as described in the Federal Energy Regulation Commission (FERC) publication "Guidelines for Public Safety at Hydropower Projects" and as documented in Avista's Hydro Public Safety Plans for each of its hydro facilities.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)
 Expected Performance Improvements
 KPI Measure: FERC's Annual Dam Safety Inspections, Public Use Inspection (conducted approximately once every five years) and review & approval of Avista's submittals.

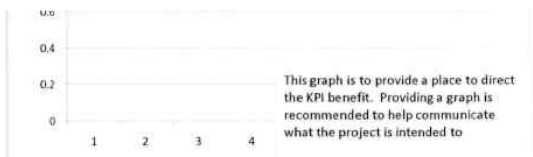


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Capital Program Business Case



Other Party Review signature _____
 (if necessary) Director/Manager

Capital Budget Projections

	2014	2015	2016	2017	2018	
ER 6001	65,000	70,000	75,000	80,000	80,000	Dam Safety anticipated need for safety equipment
H04	65,000	70,000	75,000	80,000	80,000	
ER 7108	265,000	195,000	125,000	125,000	125,000	Franchising / Permit Renewals assume 40 year Railroad permit renewals on existing substations & equipment on the John Wayne Pioneer Trail

HED	Year	Description	Est Cost
Cabinet Gorge	2014	K-rated gate at main entrance, S. entrance, and overlook entrance (all equipped with intercom, card swipe, and CCTV)	\$65,000
Noxon Rapids	2015	K-rated gate at main entrance, S. entrance, and near substation (all equipped with intercom, card swipe, and CCTV)	\$70,000
Long Lake	2016	K-rated gate at main entrance (equipped with intercom, card swipe, and CCTV)	\$25,000
Nine Mile	2016	K-rated gate at main entrance (equipped with intercom, card swipe, and CCTV)	\$25,000
Post Falls	2016	K-rated gate at main entrance (equipped with intercom, card swipe, and CCTV)	\$25,000
Long Lake	2017	Down Stream Warning System	\$80,000
Nine Mile	2018	Down Stream Warning System	\$80,000

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Little Falls Plant Upgrade

ER No: 4152 **ER Name:** Little Falls Powerhouse Redevelopment

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$33,700¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	27							9	6	5	7		
2014	9,000												9,000
2015	6,500			6,500									
2016	9,000			9,000									

Business Case Description:

The existing Little Falls equipment ranges in age from 60 to more than 100 years old. The Company has experienced an increase in forced outages at Little Falls over the past six years has significantly increased (from approximately 20 hours in 2004 to several hundred hours in the past three to four years) due to equipment failures on a number of different pieces of equipment. This project will replace nearly all of the old, unreliable equipment with new. This includes replacing two of the turbines, all four generators, all generator breakers, three of the four governors, all of the automatic voltage regulators, removing all four generator exciters, replacing the unit controls, changing the switchyard configuration, replacing the unit protection system, and replacing and modernizing the station service.

Offsets:

An O&M Offset was included in the O&M Offset adjustment for \$1,500 in 2013, \$3,000 in 2014 and 2015. After the revenue requirements was finalized, it was determined that these savings are related to employee labor that will be redistributed to other projects. These savings were included in the revenue requirement in this case and should have been excluded.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Investment Business Case

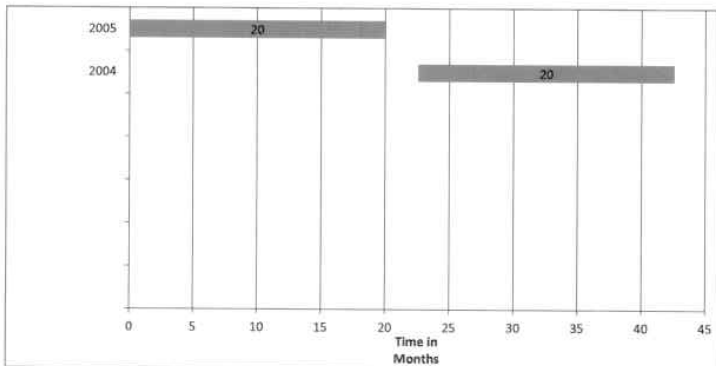
Investment Name:	Little Falls Plant Upgrade (Revised)	Assessments:	
Requested Amount	\$56,100,000	Financial:	MH - >= 9% & <12% CIRR
Duration/Timeframe	8 Year Project	Strategic:	Generating Fleet Modernization
Dept., Area:	GPSS	Operational:	Operations improved beyond current levels
Owner:	Andy Vickers	Business Risk:	ERM Reduction >5 and <= 10
Sponsor:	Jason Thackston	Project/Program Risk:	High certainty around cost, schedule and resources
Category:	Project	Assessment Score:	104.5
Mandate/Reg. Reference:	n/a	Cost Summary - Increase/(Decrease)	

Recommend Project Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
The existing Little Falls equipment ranges in age from 60 to more than 100 years old. We have experienced an increase in forced outages at Little Falls over the past six years has significantly increased (from ~20 hours in 2004 to several hundred hours in the past three to four years) due to equipment failures on a number of different pieces of equipment. This project will nearly all of the old, unreliable equipment with new. this includes replacing two of the turbines, all four generators, all generator breakers, three of the four governors, all of the AVR's, removing all four generator extcers, replacing the unit controls, changing the switchyard configuration, replacing the unit protection system, and replace	there would be some performance improvement	\$ 56,100,000	\$ (20,000)	\$ -	3

Alternatives:						
Status Quo :	Forced outages and emergency repairs would continue to increase, reducing the reliability of the plant. At some point, personnel may need to be placed back in the plant.	n/a	\$ -	\$ 20,000	\$ 150,000	12
Alternative 1: Brief name of alternative (if applicable)	This would replace the two items that are currently in the worst condition, and then continue to use the older equipment. This continues to rely on this older equipment for reliability purposes. This would only minimally improve Force Outage rate for the plant.	Major personnel safety would be addressed	\$ 5,000,000	\$ 20,000	\$ -	9
Alternative 2: Brief name of alternative (if applicable)	This would replace the major cost items, but the station service reliability would continue to cause an increasing unplanned outages. However, the replacement and down time costs would be much less	Would reduce the outage times	\$ 51,000,000	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Timeline

Construction Cash Flows (CWIP)



	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 1,800,000	\$ -	\$ -	\$ 1,800,000
2012	\$ 3,200,000	\$ -	\$ -	\$ 2,000,000
2013	\$ 6,500,000	\$ -	\$ -	\$ 5,800,000
2014	\$ 9,400,000	\$ -	\$ -	\$ 9,700,000
2015	\$ 8,800,000	\$ -	\$ -	\$ 8,800,000
2016	\$ 9,400,000	\$ -	\$ -	\$ 9,400,000
2017	\$ 8,800,000	\$ -	\$ -	\$ 8,800,000
2018	\$ 6,200,000	\$ -	\$ -	\$ 6,200,000
Future	\$ 2,000,000	\$ -	\$ -	\$ -
Total	\$ 56,100,000	\$ -	\$ -	\$ 52,500,000

Milestones (high level targets)

October-10	Project Started	March-14	Control Room Installed	July-15	Second Unit OOS
July-12	AVR/Breaker Replacement	June-14	Control Panels Installed	March-16	Second Unit RTS
February-12	AVR/Breaker Work Complete	June-14	Switchyard Work Complete	July-16	Third Unit OOS
July-13	Demolition Complete	July-14	First Unit Out of Service (OOS)	March-17	Third Unit RTS
January-14	Station Service Complete	March-15	First Unit Returned to Service (R)	7/1/117	Fourth Unit OOS

Associated Ers (list all applicable):	4102				
	4103				
Mandate Excerpt (if applicable):	This is not a mandated item.				

Additional Justifications:

Because of the age and condition of all of the equipment of the plant, all of the equipment has been qualified as obsolete in accordance with the obsolescence criteria tool. The Asset Management tool has been applied to Little Falls and also supports this project. The Asset Management studies that have been done to date are still subject to further refinements, but the general conclusions support this project. There are many items in this 100 year old facility which do not meet modern design standards, codes, and expectations. This project will bring Little Falls to a place where it can be relied on for another 50 to 100 years. Finally, this project will need to be worked in coordination with our Indian Relations group as the Little Falls project is part of a settlement agreement with the Spokane Tribe.

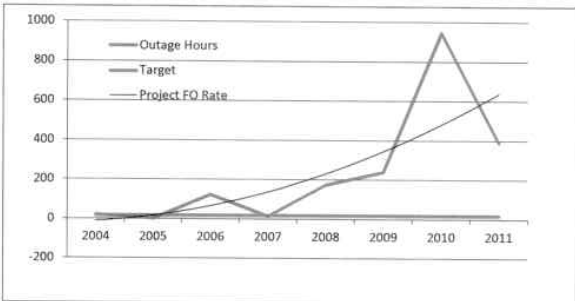
Resources Requirements: (request forms and approvals attached)



Capital Investment Business Case

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO
 Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

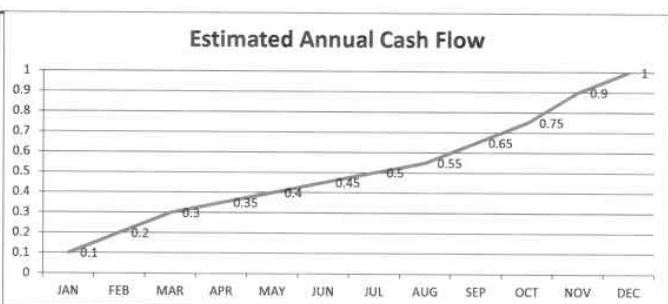
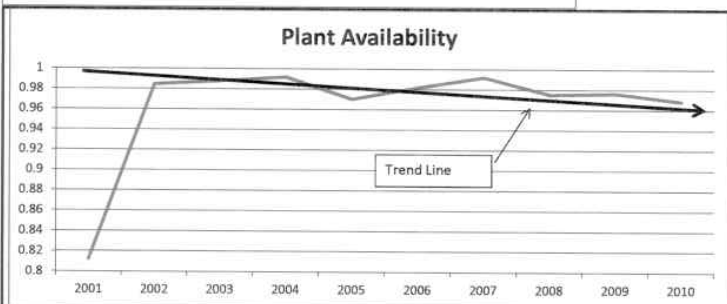
Key Performance Indicator(s)
 Expected Performance Improvements
 KPI Measure: Forced Outage Hours



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 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager



Revision: 2013 Business Case: This project business case is being revised and is requesting additional amounts for the 2013 budget year. The reason for this request is that originally some of the station service and switchyard work was contemplated to be done in future years but with better project planning, we have now determined that we must get a new station service and panel room installed before we start work on the generating units themselves. This results in shifting the unit upgrade work an additional year.

Another consideration is that some of the major cost components (i.e. turbine runners, generator stators, governors) will not be bid and procured for a year or so. The actual expected costs could change considerably as we begin to pin down costs of these major items and better determine a more comprehensive scope of work.

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Nine Mile Hydroelectric Development Rehabilitation & Modernization

ER No: 4140
ER Name: Nine Mile Redevelopment

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$62,004¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	990								52		2	935	
2014	9,208	683	363	150	3,784	268	1,897					2,064	
2015	47,044								1,850				45,194
2016	13,801	75	456	83	75	79			34		12,870	64	64

Business Case Description:

This program is to rehabilitate and modernize the 4 unit Nine Mile Hydroelectric Development. This program includes projects to replace Units 1 and 2, which are more than 100 years old. In addition, a new warehouse will be constructed, new tail race gate system will be added, new grounding and communications will be added, a barge landing will be added, a cottage will be removed and another remodeled, a new panel room will be added, Units 3 & 4 will be overhauled and modernized, the powerhouse will be restored, a new access gates and controls will be added and other improvements will be made.

Offsets:

There are no anticipated offsets with this business case.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Project Business Case

Investment Name:	Nine Mile Rehab Program	Assessments:	
Requested Amount	\$90,913,000	Financial:	14.00%
Duration/Timeframe	8 Year Project	Strategic:	Generating Plant Modernization
Dept., Area:	GPSS	Business Risk:	Business Risk Reduction >10 and <= 15
Owner:	Andy Vickers	Project Risk:	High certainty around cost, schedule and resources
Sponsor:	Jason Thackston	Assessment Score:	112
Category:	Project	Annual Cost Summary - Increase/(Decrease)	
Mandate/Reg. Reference:	n/a	Performance	Capital Cost
Recommend Project Description:		O&M Cost	Other Costs
This program is to rehabilitate and modernize the 4 unit Nine Mile HED. This program includes projects to replace Units 1 and 2 which are more than 100 years old and are wore out. In addition, a new warehouse will be constructed, new tail race gate system will be added, new grounding and communications will be added, a barge landing will be added, a cottage will be removed and another remodeled, a new panel room will be added, Units 3 & 4 will be overhauled and modernized, the powerhouse will be restored, a new access gates and controls will be added and other improvements will be made.		Business Risk Score	
		increase capacity, energy, and renewable credits. (REC's)	\$ 90,913,000
			\$ -
			\$ -
			4

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
Unfunded Project:			Capital Cost	O&M Cost	Other Costs	
Currently both Units 1 and 2 are tagged out of service due to them being mechanically wore out. A FERC license amendment has been received to replace these units.		n/a	\$ -	\$ -	\$ -	16
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	4
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved	Associated Ers (list all applicable):
Previous	\$ 10,612,838	\$ -	\$ -	\$ 10,612,838	
2013	\$ 15,379,000	\$ -	\$ -	\$ 12,999,000	
2014	\$ 21,505,000	\$ -	\$ -	\$ 21,505,000	
2015	\$ 10,193,000	\$ -	\$ -	\$ 17,900,000	
2016	\$ 6,000,000	\$ -	\$ -	\$ 9,600,000	
2017	\$ 13,315,000	\$ -	\$ -	\$ 7,000,000	
2018				\$ 7,500,000	
2019				\$ -	
Total	\$ 66,392,000	\$ -	\$ -	\$ 76,504,000	

ER	2013	2014	2015	2016	2017	Total	Mandate Excerpt (if applicable):
4140	\$ 15,379,000	\$ 21,505,000	\$ 10,193,000	\$ 6,000,000	\$ 13,315,000	\$ 66,392,000	provide brief citation of the law or regulation and a reference number if possible
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ 15,379,000	\$ 21,505,000	\$ 10,193,000	\$ 6,000,000	\$ 13,315,000	\$ 66,392,000	Additional Justifications:
							Any supplementary information that may be useful in describing in more detail the nature of the Project, the urgency, etc.

Milestones (high level targets)

January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open

Milestones should be general. Use your judgement on project progress so that progress can

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability Enterprise Tech: YES - attach form NO or Not Required Capital Tools: YES - attach form NO or Not Required

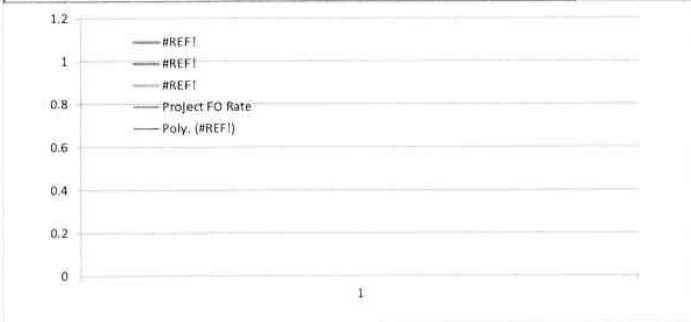
Capital Project Business Case



Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here



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 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Project

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Regulating Hydro

ER No: 4148
ER Name: Regulating Hydro

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$11,932¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	3,292							1,221	16	14	8		2,033
2014	2,500												2,500
2015	3,000												3,000
2016	3,000												3,000

Business Case Description:

This program is to cover the capital maintenance expenditures required to keep these plants operating at their current performance. The program will work to improve the reliability of these plants so that their value can be maximized in both the energy and ancillary markets. These plants are Long Lake, Little Falls, Noxon Rapids and Cabinet Gorge.

Offsets:

There are no anticipated offsets with this business case.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Investment Business Case

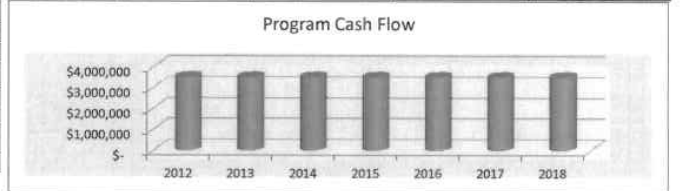
Investment Name:	Regulating Hydro	Assessments:	
Requested Amount	\$3,500,000	Financial:	High - Exceeds 12% CIRR
Duration/Timeframe	20 Year Program	Strategic:	Generating Fleet Modernization
Dept., Area:	GPSS	Operational:	Operations improved beyond current levels
Owner:	Andy Vickers	Business Risk:	Business Risk Reduction >0 and <= 5
Sponsor:	Jason Thackston	Program Risk:	High certainty around cost, schedule and resources
Category:	Program	Assessment Score:	88
Mandate/Reg. Reference:	n/a	Annual Cost Summary - Increase/(Decrease)	

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program is to cover the capital maintenance expenditures required to keep these plants operating at their current performance. The program will work to improve the reliability of these plants so that their value can be maximized in both the energy and ancillary markets. These plants are LL, LF, NR, CG.	describe any incremental changes that this Program would benefit present operations	\$ 3,500,000	\$ -	\$ -	10

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo : Current work has been done to achieve a relatively high availability rate for this group of assets. Work has been prioritized according to equipment needs.	n/a	\$ 1,890,000	\$ -	\$ -	15
Alternative 1: Brief name of alternative (if applicable) We could reduce spending to reduced levels for small decrease in overall availability but reducing ancillary services from plant (i.e. no Cabinet reserves, load following services, etc.)	describe any incremental changes in operations	\$ 2,200,000	\$ -	\$ -	15
Alternative 2: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows	Associated Ers (list all applicable):
2012-2016	4000 4102
	4003 4103
	4004 4105
	4100

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 1,890,000	\$ -	\$ -	\$ 1,890,000
2012	\$ 3,500,000	\$ -	\$ -	\$ 2,533,000
2013	\$ 3,500,000	\$ -	\$ -	\$ 2,033,000
2014	\$ 3,500,000	\$ -	\$ -	\$ 2,833,000
2015	\$ 3,500,000	\$ -	\$ -	\$ 3,533,000
2016	\$ 3,500,000	\$ -	\$ -	\$ 3,533,000
2017	\$ 3,500,000	\$ -	\$ -	\$ 3,533,000
2018	\$ 3,500,000	\$ -	\$ -	\$ 3,533,000
Future	\$ 3,500,000	\$ -	\$ -	\$ -
Total	\$ 29,890,000	\$ -	\$ -	\$ 23,421,000



Mandate Excerpt (if applicable):
 Within this program, there are some FERC and NERC mandated items that are included. These are expected to be managed as part of the overall program and are not considered as individual items here.

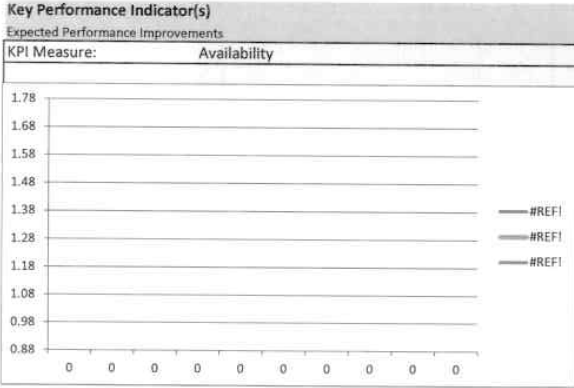
Additional Justifications:
 The magnitude of the value of this program is not evident with the scoring system used. The CIRR calculated for this program is 54.07% for each reduction of 1% in availability. Sustaining this program is very important for this class of assets. While the purpose of this program is to sustain our current level of unit availability for these plants, individually, we have been experiencing a decline in the availability of Little Falls due to aging equipment and failures of that equipment. This is being addressed in a separate project request. Additionally, efforts will be made within this program to improve what is commonly referred to as the ancillary services from these generating assets. This include installing blow down systems to allow for spinning reserves, moving load following demands to all of these plants, voltage regulating needs, etc. This will also include some elements of hydro license compliance as related to plant operations and equipment.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input checked="" type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required



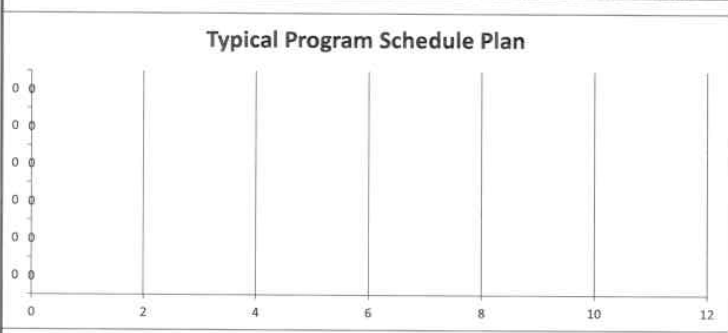
Capital Investment Business Case



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 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager



To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Spokane River License Implementation

ER No: ER Name:
6107 Spokane River Implementation (PM&E)

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$20,187¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	1,860							3	2	1			1,854
2014	4,815			1,204			1,204			1,204			1,204
2015	462			116			116			116			116
2016	16,222												16,222

Business Case Description:

The Spokane River Project capital projects fulfill FERC’s license requirements related to wetlands, water quality, recreation, and land use improvements that will lead to improvements located at Nine Mile, and Lake Spokane (the Long Lake Dam reservoir). The water quality improvements and wetland acquisition and/or enhancements are mandatory conditions included in the License as part of the Washington and Idaho 401 Water Quality Certifications, whereas the recreation and land use projects are FERC’s License requirements. This year we will continue modeling a number of potential total dissolved gas remedies for Long Lake Dam, and monitoring low dissolved oxygen (DO) in the tailrace below the dam to determine if the aeration equipment we installed in previous years will sufficiently meet the State’s water quality standards. We are also installing additional aeration equipment in the Long Lake Powerhouse to further improve DO in the tailrace. We completed the channel modifications at Upper Falls last fall, which were approved by the Washington Department of Ecology. We will work to complete the required Nine Mile and Lake Spokane recreation projects during this year’s construction season.

Offsets:

There are no anticipated offsets with this business case.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Spokane River License Implementation	Assessments:	
Requested Amount	\$2,902,000	Financial:	High - Exceeds 12% CIRR
Duration/Timeframe	50 Year Program	Strategic:	Other
Dept., Area:	Environmental	Operational:	Operations require execution to perform at current levels
Owner:	Elvin "Speed" Fitzhugh (Mgr), Bruce Howard (Dir)	Business Risk:	ERM Reduction >10 and <= 15
Sponsor:	Marian Durkin	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Mandatory	Assessment Score:	174
Mandate/Reg. Reference:	FERC Project No 2545-091	Annual Cost Summary - Increase/(Decrease)	
Recommend Program Description:		Performance	Capital Cost
Implementation of Protection, Mitigation and Enhancement (PM&E) programs related to the FERC License for Project 2545. Includes items enforceable by FERC, mandatory conditioning agencies, and through settlement agreements.		n/a	\$ 2,902,000
			\$ -
			\$ -
			\$ -
			8

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Alternative 1: Funded (PM&E)	The Federal Energy Regulatory Commission issued a license to Avista Corporation for a period of 50 years, effective June 18, 2009, to operate and maintain the Spokane River Project No. 2545-091. The License defines how Avista shall operate the Project and includes several hundred requirements we must meet to retain our License. Overall, the License is issued pursuant to the Federal Power Act. It embodies requirements of a wide range of other laws, including the Clean Water Act, the Endangered Species Act, the National Historic Preservation Act, among others. These requirements are expressed through specific license articles (or Protection, Mitigation and Enhancement Measures), relating to fish, terrestrial resources, water quality, recreation, education, cultural, and aesthetic resources at the project. In addition, the License incorporates requirements specific to a 50-year settlement agreement between Avista, the Department of Interior and the Coeur d'Alene Tribe, which includes specific funding requirements over the term of the license. Avista entered into additional two-party settlement agreements with local and state agencies, and the Spokane Tribe; these agreements also include funding commitments. The License also references our requirements for land management, dam safety, public safety and monitoring requirements, which apply for the term of the License.	n/a	\$ 2,902,000	\$ -	\$ -	20
Alternative 2: Unfunded (PM&E)	We are subject to License enforcement directly from the Federal Energy Regulatory Commissions, independent enforcement of certain measures by state agencies under their delegated authorities, and third-party claims by those with whom we entered settlement agreements. We are also subject to citizen lawsuits in certain settings for non-compliance. If the License conditions are not funded, there is the potential for penalties, extensive legal costs, alternative mitigation costs, and/or loss of operations flexibility of the hydro facilities, or the loss of a license to operate in extreme cases.		\$ -	\$ -	from moderate to extreme	8

Program Cash Flows					Associated Ers (list all applicable):				
5 years of costs					Current ER	6107			
	Capital Cost	O&M Cost	Other Costs	Approved					
Previous	\$ -	\$ -	\$ -	\$ -					
2012								3,370,500	
2013								3,432,000	
2014	\$ 2,902,000	\$ -	\$ -	\$ -				2,902,000	
2015	\$ 11,262,000	\$ -	\$ -	\$ -				11,262,000	
2016	\$ 2,591,000	\$ -	\$ -	\$ -				2,591,000	
2017	\$ 529,000	\$ -	\$ -	\$ -				529,000	
2018	\$ 579,000	\$ -	\$ -	\$ -				579,000	
Total	\$ 16,755,000	\$ -	\$ -	\$ -				23,557,500	



Capital Program Business Case

Mandate Excerpt (if applicable):

The Project consists of: Post Falls, Upper Falls, Monroe Street, Nine Mile and Long Lake HEDs.

Additional Justifications:

The license is subject to: mandatory conditions issued on June 5, 2008 by the Idaho Department of Environmental Quality (401 Water Quality Certification), conditions issued on May 8, 2009 by the Washington Department of Ecology (401 Certification), conditions filed May 4, 2007 by the US Forest Service (Federal Power Act 4(e)), conditions filed January 27, 2009 by the US Department of the Interior (Federal Power Act 4(e)), conditions of the Total Dissolved Gas Control and Mitigation Program incorporated into the License, and subject to the articles set forth in Form L-1, entitled "Terms and Conditions of License for Constructed Major Project Affecting Lands of the United States."

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

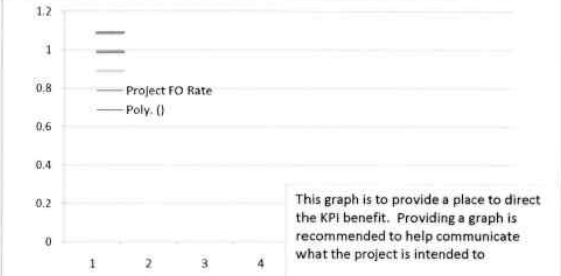
Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Federal Energy Regulatory Commission (FERC)
	Bureau of Indian Affairs (BIA)
	Idaho Department of Environmental Quality (ID DEQ)
	Washington Department of Ecology (WA DOE)



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 Director/Manager

Other Party Review signature (if necessary)
 Director/Manager

Capital Budget Projections

	2014	2015	2016	2017	2018	
Hank						
Meghan	1,465,000	10,896,000	2,303,000	196,000	221,000	Riverbank stabilization
Dave	200,000	100,000	75,000	75,000	75,000	Wetlands - WA land purchase, ID St Joe Property (401 settlement) and additional mitigation properties targeted for
Tim	148,000	113,000	168,000	133,000	138,000	Fishery assumes allotted money for purchase of property or easements, as required by the Spokane River License. There is
Rene	789,000	153,000	145,000	145,000	145,000	Recreation assuming agency budgets, plans, and new agreements are accepted.
Speed	300,000					Huntington Park
C04	2,902,000	11,262,000	2,591,000	529,000	579,000	

To be completed by Capital Planning Group

Rationale for decision	Review Cycles
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**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Base Load Thermal Plant

ER No: ER Name:

4149 Base Load Thermal

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$14,100¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	4,135							2,568	433	259	-209	542	542
2014	2,200						2,200						
2015	2,200						2,200						
2016	2,205						2,205						

Business Case Description:

This program is necessary to sustain or improve the existing operating costs of Coyote Springs 2, Colstrip, and Kettle Falls. Work includes replacement of items identified through asset management decisions and programs necessary to maintain reliable and low operating costs of these plants. As this program proceeds, it is expected that forced outage rates and forced de-rates of these facilities will decrease to a level one standard deviation less than current average.

Offsets:

There are no anticipated offsets with this business case.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Investment Business Case

Investment Name:	Base Load Thermal Plant	Assessments:	
Requested Amount	\$6,500,000	Financial:	High - Exceeds 12% CIRR
Duration/Timeframe	ongoing Year Program	Strategic:	Generating Fleet Moderization
Dept., Area:	GPSS / Power Supply	Operational:	Operations require execution to perform at current levels
Owner:	Andy Vickers	Business Risk:	ERM Reduction >5 and <= 10
Sponsor:	Jason Thackston	Program Risk:	High certainty around cost, schedule and resources
Category:	Program	Assessment Score:	94
Mandate/Reg. Reference:	n/a	Annual Cost Summary - Increase/(Decrease)	

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program is necessary to sustain or improve the existing operating costs of these major Base Load generating stations. This program is specifically for Coyote Springs 2, Colstrip, Kettle Falls, and Lancaster. Work includes replacement of items identified through asset management decisions and programs necessary to maintain reliable and low operating costs of these plants. As this program proceeds, it is expected that forced outage rates and forced derates of these facilities will decrease to a level one standard deviation less than current average resulting in more economic benefits of the project.	This will improve the forced outage rate for these plants by an overall 0.1%	\$ 2,200,000	\$ -	\$ -	8

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score	
Status Quo :	These plants continue to age and their economic performance has degraded over time. These degrades have been offset with work that is included in a program like this. Currently, each plant is manged independent of the other,	n/a	\$ -	\$ -	\$ -	15
Alternative 1: Brief name of alternative (if applicable)	The program can be reduced in amount and effectiveness in accomplishing the Goal	current trend would be reduced.	\$ 5,500,000	\$ -	\$ -	10
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):				
2012-2016					Current ER				
	Capital Cost	O&M Cost	Other Costs	Approved	4148				
Previous	\$ 6,520,910	\$ -	\$ -	\$ 6,520,910					
2012	\$ 6,500,000	\$ -	\$ -	\$ 6,877,000					
2013	\$ 6,500,000	\$ -	\$ -	\$ 7,500,000					
2014	\$ 6,500,000	\$ -	\$ -	\$ 2,200,000					
2015	\$ 6,500,000	\$ -	\$ -	\$ 2,200,000					
2016	\$ 6,500,000	\$ -	\$ -	\$ 2,200,000					
2017	\$ 6,500,000	\$ -	\$ -	\$ 2,200,000					
2018	\$ 6,500,000	\$ -	\$ -	\$ 2,200,000					
Future	\$ 6,500,000	\$ -	\$ -	\$ -					
Total	\$ 58,520,910	\$ -	\$ -	\$ 31,897,910					

Mandate Excerpt (if applicable):
 Within the program there are a number of regulatory mandates for air emissions and monitoring that must be complied with. In addition there numerous NERC requirements that must be met. These mandates are included within the amount listed above.

Additional Justifications:
 As these plants degrade, we expose ourselves to an increasing forced outage rates and must acquire replacement energy and capacity from the market. This can leave us with significant exposure for shareholders in a particular year.

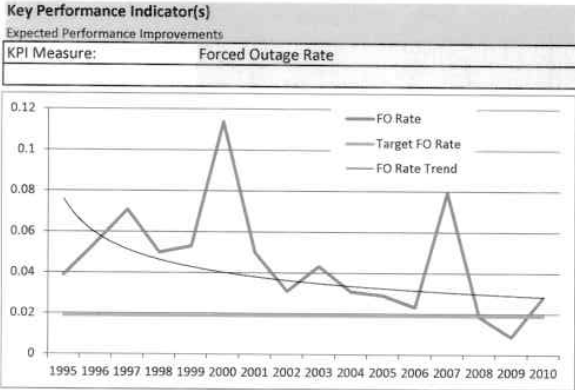
Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required



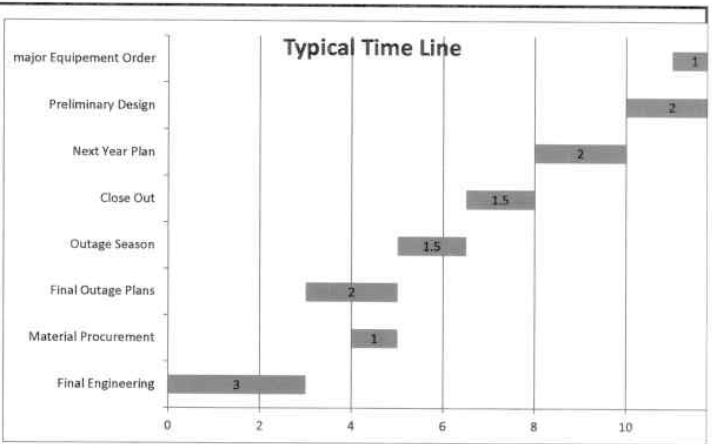
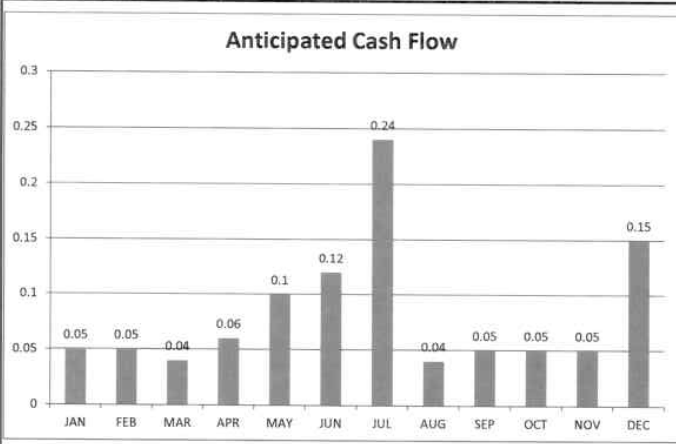
Capital Investment Business Case



Prepared signature *Steve Welch*

Reviewed signature *Andrew K...*
 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager



To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Peaking Generation

ER No: ER Name:

4150 Peaking Generation

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$2,120¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	1,000							420	16	64			500
2014	500						500						
2015	500						500						
2016	500						500						

Business Case Description:

This program is to cover the capital maintenance expenditures required to keep the gas fired peaking units (Boulder Park, Rathdrum and Northeast Combustion Turbine) operating at or above their current performance. The program will focus on maximizing ability of these units to start and run when demanded (starting reliability).

Offsets:

There are no anticipated offsets with this business case.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

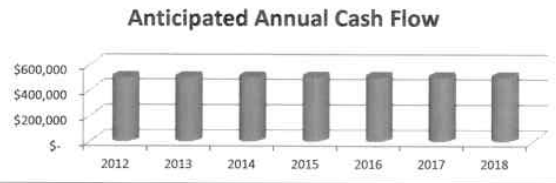


Capital Investment Business Case

Investment Name:	Peaking Generation	Assessments:	
Requested Amount	\$500,000	Financial:	High - Exceeds 12% CIRR
Duration/Timeframe	10 Year Program	Strategic:	Reliability & Capacity
Dept., Area:	GPSS	Operational:	Operations require execution to perform at current levels
Owner:	Andy Vickers	Business Risk:	Business Risk Reduction >5 and <= 10
Sponsor:	Jason Thackston	Program Risk:	High certainty around cost, schedule and resources
Category:	Program	Assessment Score:	94
Mandate/Reg. Reference:	n/a	Annual Cost Summary - Increase/(Decrease)	
Recommend Program Description:		Performance	Capital Cost
This program is to cover the capital maintenance expenditures required to keep the gas fired peaking units operating at or above their current performance. The program will focus on maximizing ability of these units to start and run when demanded (starting reliability). These plants include BP, RCT, NECT.		By expending these funds, the start reliability for these assets will be improved.	\$ 500,000
			\$ -
			\$ -
			\$ -
			Business Risk Risk Sco
			0

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Risk Sco
Status Quo :	Presently, there is very little invested in these assets as historically they have not been used extensively. The overall reliability of all of these assets reflect that effort.	n/a	\$ -	\$ -	\$ -	0
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):			
2012-2016					4002			
	Capital Cost	O&M Cost	Other Costs	Approved	4107			
Previous	\$ 10,000	\$ -	\$ -	\$ 10,000	4118			
2012	\$ 500,000	\$ -	\$ -	\$ 500,000	4113			
2013	\$ 500,000	\$ -	\$ -	\$ 620,000				
2014	\$ 500,000	\$ -	\$ -	\$ 500,000				
2015	\$ 500,000	\$ -	\$ -	\$ 500,000				
2016	\$ 500,000	\$ -	\$ -	\$ 500,000				
2017	\$ 500,000	\$ -	\$ -	\$ 500,000				
2018	\$ 500,000	\$ -	\$ -	\$ -				
Future	\$ 500,000	\$ -	\$ -	\$ -				
Total	\$ 4,010,000	\$ -	\$ -	\$ 3,130,000				



Mandate Excerpt (if applicable):
 Within this program, there are some FERC and NERC mandated items that are included. These are expected to be managed as part of the overall program and are not considered as individual items here.

Additional Justifications:
 With wind and other renewables coming on line, there has been an increase in the amount of times that these units have been called on. The value of these units may not be reflected with this new market. Also, the analysis used currently does not contemplate the emergency reserve power value of these units. There are times when energy is unavailable from other sources and the spot price of energy can exceed \$500/MWh or more. (\$50 - \$80/MWh being normal). This risk is somewhat modeled in the Business Risk reduction for this item.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input checked="" type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required



Capital Investment Business Case

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Unit Starts
	Unit Availability

No Data is currently available for these measures.

Prepared signature *Steve Wink*

Reviewed signature *Anda K...*
 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Program

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Post Falls Intake Gate Replacement

ER No: ER Name:

4153 Post Falls Intake Gate Replacement

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$900¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	1							1					
2014													
2015													
2016													

Business Case Description:

This project is to replace the existing wooden timbered head gates with new steel gates, and to modify the structure to include a hoist system. Provisions for the gates will be made to pull the gates out for easy maintenance purposes. This work also includes installation of new controls and appropriate emergency power systems. The work plan is to design and begin gate fabrication in year 1 and construction in year 2.

Offsets:

There are no anticipated offsets with this business case.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case

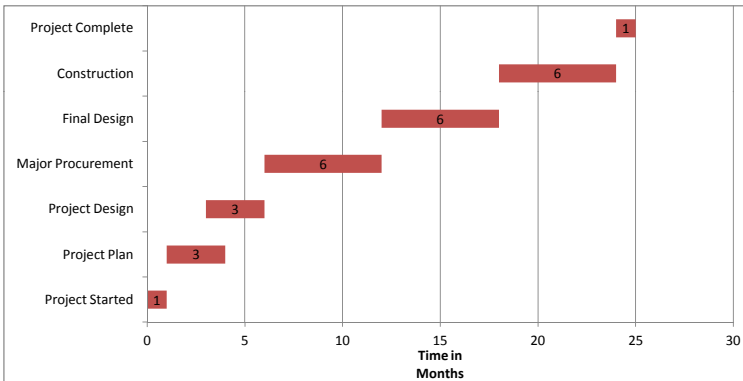


Investment Name:	Post Falls Intake Gate Replacement (Revised)	Assessments:	
Requested Amount	\$2,200,000	Financial:	Medium - >= 5% & <9% CIRR
Duration/Timeframe	1 Year Project	Strategic:	Generating Fleet Modernization
Dept., Area:	GPSS	Operational:	Operations improved beyond current levels
Owner:	Carlberg	Business Risk:	ERM Reduction >10 and <= 15
Sponsor:	Storro	Project/Program Risk:	High certainty around cost, schedule and resources
Category:	Mandatory	Assessment Score:	165
Mandate/Reg. Reference:	CFR Title 18, Chapter I, Subchapter B, Part 12	Cost Summary - Increase/(Decrease)	

Recommend Project Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This project is to replace the existing wooden timbered head gates with new steel gates and to modify the structure to include a hoist system. Provisions for the gates will be made to pull the gates out for easy maintenance purposes. This work is to also include installation of new controls and appropriate emergency power systems. The work plan is to design and begin gate fabrication in year 1 and construction in year 2.	Operator safety will be greatly improved.	\$ 2,200,000	\$ (50,000)	\$ -	2

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score	
Status Quo :	The current gate system uses timbers as the main gate structure which have been in use for decades and their integrity is suspect. Further these gates do not seal very well and extensive maintenance is necessary.	n/a	\$ -	\$ 50,000	\$ -	16
Alternative 1: Brief name of alternative (if applicable)	There were several gate system evaluated, and there are less expensive first cost options. However, the maintenance costs for these other options is far greater, putting pressure on other options.	other gate options would perform similarly	\$ 1,800,000	\$ 50,000	\$ -	2
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Timeline **Construction Cash Flows (CWIP)**



	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 900,000	\$ -	\$ -	\$ 379,055
2012	\$ 2,200,000	\$ -	\$ -	\$ 2,200,000
2013	\$ -	\$ -	\$ -	\$ 900,000
2014	\$ -	\$ -	\$ -	\$ -
2015	\$ -	\$ -	\$ -	\$ -
2016	\$ -	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -	\$ -
Future	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,100,000	\$ -	\$ -	\$ 3,479,055

Milestones (high level targets)			
November-10	Project Started	December-12	Project Complete
April-11	Project Plan		
June-11	Project Design		
November-11	Major Procurement		
July-12	Construction Start		

Associated Ers (list all applicable):	4153						
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Mandate Excerpt (if applicable):	CFR 18.1.B.Part 12; 2007 FERC Inspection Report, July 10, 2007 Letter to FERC with Plant and Schedule; 2011 FERC Inspection Report and Part 12 Report Recommendation and August 13, 2012 letter to FERC requesting extension
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Additional Justifications:	
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Capital Investment Business Case



Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

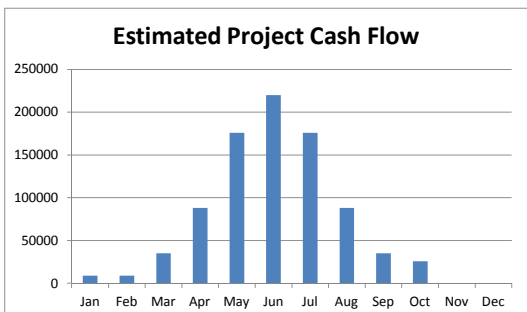
Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:



Prepared signature _____

Reviewed signature _____
 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	Date	Template
	2012-2016	

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Coyote Springs Long-Term Service Agreement (“LTSA”)

ER No: ER Name:

4143 CS2 LTSA Cash Accrual

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$3,121¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	179												179
2014													
2015													
2016													

Business Case Description:

This program is to cover the capital accruals required to execute our LTSA with General Electric for Coyote Springs Unit 2. This is the same as the current LTSA item. This program will have fluctuations in expenditure to account for the variable operating hours and operating conditions that feed into the LTSA formula.

Offsets:

There are no anticipated offsets with this business case.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Investment Business Case

Investment Name:	Coyote Springs LTSA	Assessments:	
Requested Amount	\$650,000	Financial:	High - Exceeds 12% CIRR
Duration/Timeframe	5+ Year Program	Strategic:	Life Cycle Programs
Dept., Area:	Power Supply	Operational:	Operations require execution to perform at current levels
Owner:	Thomas Dempsey/Scott Kinney	Business Risk:	ERM Reduction >0 and <= 5
Sponsor:	Jason Thackston	Program Risk:	High certainty around cost, schedule and resources
Category:	Program	Assessment Score:	89
Mandate/Reg. Reference:	n/a	Annual Cost Summary - Increase/(Decrease)	
Recommend Program Description:		Performance	Capital Cost
This program is to cover the capital accruals required to execute our LTSA with GE for Coyote Springs Unit 2. This is the same as the current LTSA item. This program will have fluctuations to account for the variable operating hours and operating conditions that feed into the LTSA formula.		This program assures best response times to outages and forced outages	\$ 650,000
			O&M Cost
			\$ -
			Other Costs
			\$ -
			Business Risk Score
			10

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo :	This is a contract with GE to provide the necessary services, parts, and labor to maintain the Frame 7EA gas turbine. This is the major component of the Coyote Springs Unit 2 combined cycle plant (CCCT).	n/a	\$ 650,000	\$ -	\$ -	15
Alternative 1: Brief name of alternative (if applicable)	none	n/a	\$ -	\$ -	\$ -	0
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows
2012-2016

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 10,000	\$ -	\$ -	\$ 10,000
2012	\$ 1,232,735	\$ -	\$ -	\$ 2,231,043
2013	\$ 998,299	\$ -	\$ -	\$ 1,000,000
2014	\$ 649,943	\$ -	\$ -	\$ 711,000
2015	\$ 644,712	\$ -	\$ -	\$ 707,000
2016	\$ 639,324	\$ -	\$ -	\$ 703,000
2017	\$ 633,775	\$ -	\$ -	\$ 700,000
2018	\$ 628,058	\$ -	\$ -	\$ 700,000
Future	\$ 2,451,565	\$ -	\$ -	\$ -
Total	\$ 7,888,412	\$ -	\$ -	\$ 6,762,043

Associated Ers (list all applicable):

4143			
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Mandate Excerpt (if applicable):
n/a

Additional Justifications:
This LTSA is a contractual agreement between Avista and GE.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required



Capital Investment Business Case

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Unit Availability

Prepared signature *Shawn C. Dopyra* 12/2/13

Reviewed signature *Scott Keating* 12/2/13
 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Rathdrum Combustion Turbine - Replace Mark V Controller

ER No: ER Name:

4154 Rathdrum CT Upgrade Unit 1 to Mark VI Controller

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$500¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	45							1	42		1		
2014													
2015													
2016													

Business Case Description:

In 2007, the Mark V controller on Unit 2 failed catastrophically, taking the unit out of service for several months. A new Mark VI controller was installed in its place. This project is to replace the Mark V controller in Unit 1 with a Mark VI controller to match Unit 1. The Mark V technology is at the end of its life and is minimally supported by the original equipment manufacturer. In addition, some features make the Mark VI a better solution for our operations.

Offsets:

There are no anticipated offsets with this business case.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case

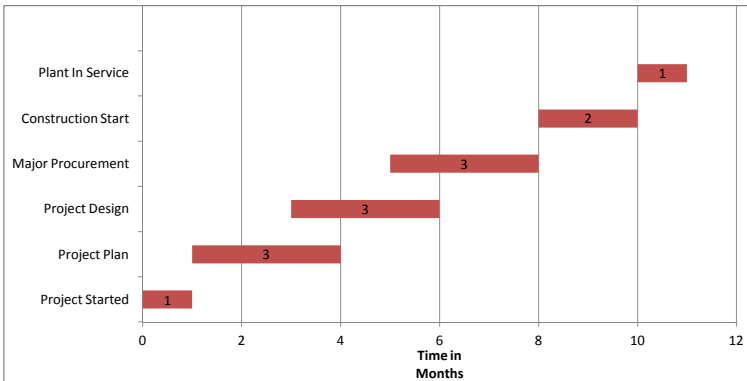


Investment Name:	Rathdrum CT Replace Mark V Controller (Revised)	Assessments:	
Requested Amount	\$918,000	Financial:	MH - >= 9% & <12% CIRR
Duration/Timeframe	1 Year Project	Strategic:	Reliability & Capacity
Dept., Area:	GPSS	Operational:	Operations improved beyond current levels
Owner:	Tim Carlberg	Business Risk:	ERM Reduction >5 and <= 10
Sponsor:	Dick Storro	Project/Program Risk:	High certainty around cost, schedule and resources
Category:	Project	Assessment Score:	105
Mandate/Reg. Reference:	n/a	Cost Summary - Increase/(Decrease)	

Recommend Project Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
In 2007, the Mark V controller on Unit 2 failed catastrophically, taking the unit out of service for several months. A new Mark VI controller was installed in its place. This project is to replace the old Mark V controller in Unit 1 with a Mark VI controller to match Unit 1. The Mark V technology is at the end of its life and is minimally supported by the OEM. In addition, there are some features that make the Mark VI a better solution for our oprations.	OEM future support for controller software and hardware	\$ 918,000	\$ -	\$ -	2

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo :	The existing Mark V controller continues to be functional, however the technology is dated. Due to a catastrophic failure four years ago, the Mark V controller was replaced in Unit 2. We currently have a mis-matched controller set for these turbines	n/a	\$ -	\$ -	\$ -	12
Alternative 1: Brief name of alternative (if applicable)	Another option that will be pursued is to install a Mark Vie retrofit system. This may provide the same functionality of the planned Mark VI, but could be less expensive. We will work with GE to further evaluate this options	OEM future support for controller software and	\$ 500,000	\$ -	\$ -	2
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Timeline Construction Cash Flows (CWIP)



	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2012	\$ 10,000	\$ -	\$ -	\$ 918,000
2013	\$ 908,000	\$ -	\$ -	\$ 500,000
2014	\$ -	\$ -	\$ -	\$ -
2015	\$ -	\$ -	\$ -	\$ -
2016	\$ -	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -	\$ -
Future	\$ -	\$ -	\$ -	\$ -
Total	\$ 918,000	\$ -	\$ -	\$ 1,418,000

Milestones (high level targets)			
November-12	Project Started	July-13	Plant In Service
December-12	Project Plan		
February-13	Project Design		
March-13	Major Procurement		
June-13	Construction Start		

Associated Ers (list all applicable):	4154						
Mandate Excerpt (if applicable):	n/a						

Additional Justifications:
 A modest operational issue we currently face is that we have two different types of control systems for the same plant. This has some implications for spare parts and even maintenance issued on a limited basis. The technology of the Mark V is now being phased out by GE, and being replaced with the Mark VI control. Completing this project will assure a higher availability over the long term for Unit 1 and provide some marginal improvement for the operations and maintenance of the plant.

Capital Investment Business Case



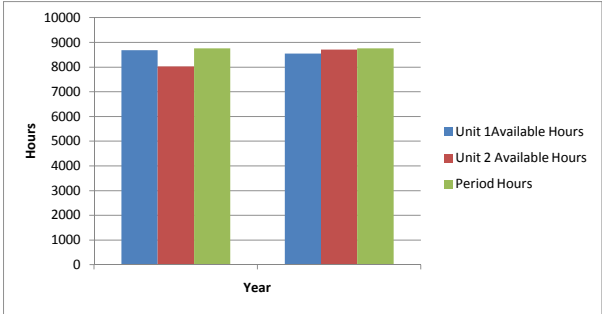
Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Key Performance Indicator(s)

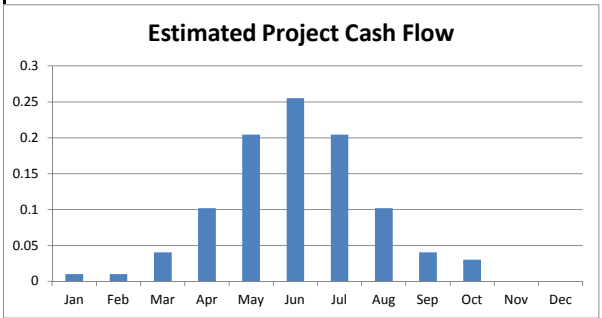
Expected Performance Improvements
 KPI Measure: Unit Availability



Prepared signature _____

Reviewed signature _____
 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager



2013 Budget Revisions: Due to availability of engineering resources, this project was delayed from 2012 and is now planned for 2013. Some initial investigation was performed in early 2012 and final scope of work is not yet firm.

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	Date	Template
	2012-2016	

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Long Lake Replace Field Windings

ER No: ER Name:

4169 Long Lake HED Replace Field Windings

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$3,400¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014	800												800
2015	2,430												2,430
2016	170		170										

Business Case Description:

Long Lake Replace Generator Field Windings - over the past 10 years, we have observed a continuing decline in the insulation level on the generators at Long Lake. This decline is measured using Megger test instruments. We have experienced an increasing amount of forced outages and down time due to the poor condition of these units. We had planned to address this as part of the Long Lake redevelopment project however, that was delayed due to problems at Little Falls. It is the opinion of engineering that the generators at Long Lake will not run reliably for the six years or more to when this would be address as part of that project.

Offsets:

There are no anticipated offsets with this business case.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Project Business Case

Investment Name:	LLRepl Field Wndgs	Assessments:	
Requested Amount	\$3,400,000	Financial:	9.62%
Duration/Timeframe	no. years 3	Strategic:	Reliability & Capacity
Dept., Area:	GPSS	Business Risk:	Business Risk Reduction >5 and <= 10
Owner:	Andy Vickers	Project Risk:	High certainty around cost, schedule and resources
Sponsor:	Jason Thackston	Assessment Score:	99
Category:	Project	Annual Cost Summary - Increase/(Decrease)	
Mandate/Reg. Reference:	n/a		

Recommend Project Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Long Lake Replace Generator Field Windings - over the past 10 years, we have observed a continuing decline in the insulation level on the generators at Long Lake. This decline is measured using Megger test instruments. We have experienced an increasing amount of forced outages and down time due to the poor condition of these units. We had planned to address this as part of the Long Lake redevelopment project however that was delayed due to problems at Little Falls. It is the opinion of engineering that the generators at Long Lake will not run reliably for the six years or more to when this would be address as part of that project.	This would reduced plant forced outages	\$ 3,400,000	\$ 100,000	\$ -	2

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:					
Our forced outage events and durations continue to generally increase as our crews find ways to try to keep the units on line. Megger readings indicate that we continue to degrade in insulation levels. The costs represent estimated repairs and loss of revenues from forced outages.	n/a	\$ -	\$ 265,000	\$ 1,152,000	12
Alternative 1: Brief name of alternative (if applicable)					
Replace one or two sets of field poles rather than rewind them. This would allow the work to get done more quickly and reduce second and third year budget impacts. The incremental cost is reflective of one set of poles.	describe any incremental changes in operations	\$ 3,700,000	\$ -	\$ -	2
Alternative 2: Brief name of alternative (if applicable)					
Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)					
Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2013	\$ -	\$ -	\$ -	\$ -
2014	\$ 1,572,000	\$ 50,000	\$ -	\$ 1,572,000
2015	\$ 1,658,000	\$ 50,000	\$ -	\$ 1,658,000
2016	\$ 170,000	\$ -	\$ -	\$ 170,000
2017+	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,400,000	\$ 100,000	\$ -	\$ 3,400,000

Associated Ers (list all applicable):			

ER	2013	2014	2015	2016	2017+	Total	Mandate Excerpt (if applicable):
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	provide brief citation of the law or regulation and a reference number if possible
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Additional Justifications: Any supplementary information that may be useful in describing in more detail the nature of the Project, the urgency, etc.

Milestones (high level targets)

April-14	Contracts in Place	October-15	3rd Unit Completed	January-00	open
July-14	1st Unit Started	October-15	4th Unit Started	January-00	open
October-14	1st Unit Completed	December-15	4th Unit Completed	January-00	open
October-14	2nd Unit Started	March-16	Project Complete	January-00	open
December-14	2nd Unit Completed	January-00	open	January-00	open
July-15	3rd Unit Started	January-00	open	January-00	open

Milestones should be general. Use your judgement on project progress so that progress can

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input checked="" type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

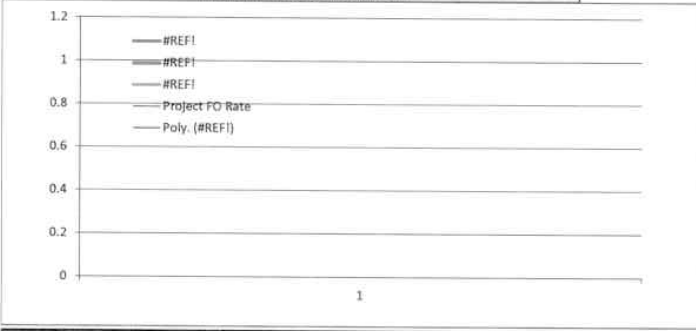


Capital Project Business Case

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here



Prepared signature *[Signature]*
 Reviewed signature *[Signature]*
 Director/Manager
 Other Party Review signature _____
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Project

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Noxon Spare Coils

ER No: 4166 **ER Name:** Noxon Rapids HED Spare Coils

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$1,350¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014	1,350									1,350			
2015													
2016													

Business Case Description:

This project is to replace the spare coils that were used last spring to repair the stator winding that failed for Unit 4. This item will procure 100 spare coils. These spares cover Units 1 through 4 (Unit 5 is different). Because we had spares on hand, we were able to return Unit 4 to normal service within 11 weeks. Without these spares, the unit would have been out for 9 months or more. Prices for coils supplied under emergency conditions would likely carry a 30% premium. This project does not include any installation, only replacing stock that we had previously.

Offsets:

There are no anticipated offsets with this business case.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Project Business Case

Investment Name:	Noxon Spare Coils	Assessments:	
Requested Amount	Estimated Total Capital Expenditure	Financial:	8.54%
Duration/Timeframe	1 Year Project	Strategic:	Reliability & Capacity
Dept., Area:	GPSS	Business Risk:	Business Risk Reduction >0 and <= 5
Owner:	Andy Vickers	Project Risk:	High certainty around cost, schedule and resources
Sponsor:	Jason Thackston	Assessment Score:	88
Category:	Project	Annual Cost Summary - Increase/(Decrease)	
Mandate/Reg. Reference:	n/a	Performance	Capital Cost

Recommend Project Description: This project is to replace the spare coils that were used last spring to repair the stator winding that failed for Unit 4. This item will procure 100 spare coils. These spares cover Units 1 through 4 (Unit 5 is different). Because we had spares on hand, we were able to return Unit 4 to normal service within 11 weeks. Without these spares, the unit would have been out for 9 months or more. Prices for coils supplied under emergency conditions would likely carry a 30% premium. This project does not include any installation, only replacing stock that we had previously.	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
	describe any incremental changes that this Project would benefit present operations	\$ 1,350,000	\$ -	\$ -	3
	Annual Cost Summary - Increase/(Decrease)				
	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
	n/a	\$ 2,100,000	\$ -	\$ 165,484	4

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	Should we not have adequate spare coils on hand, we would risk a significantly longer forced outage (at least 6 months) and a much higher cost (30% premium).	n/a	\$ 2,100,000	\$ -	\$ 165,484	4
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	3
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):				
	Capital Cost	O&M Cost	Other Costs	Approved					
Previous	\$ -	\$ -	\$ -	\$ -					
2013	\$ -	\$ -	\$ -	\$ -					
2014	\$ 1,350,000	\$ -	\$ -	\$ 1,350,000					
2015	\$ -	\$ -	\$ -	\$ -					
2016	\$ -	\$ -	\$ -	\$ -					
2017+	\$ -	\$ -	\$ -	\$ -					
Total	\$ 1,350,000	\$ -	\$ -	\$ 1,350,000					

ER	2013	2014	2015	2016	2017+	Total	Mandate Excerpt (if applicable):
TBD	\$ -	\$ 1,350,000	\$ -	\$ -	\$ -	\$ 1,350,000	provide brief citation of the law or regulation and a reference number if possible
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Additional Justifications: After some discussion, it was determined to procure 100 coils in order to have an adequate supply in case of multi coil failures. We had a single point failure and consumed 34 of our spares. It was estimated that if we had two coils fail, we would consume 3X that number and may not have enough to effect repairs as hoped.
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Total	\$ -	\$ 1,350,000	\$ -	\$ -	\$ -	\$ 1,350,000	

Milestones (high level targets)							
September-14	Spare Coils Received	January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open	January-00	open

Milestones should be general. Use your judgement on project progress so that progress can

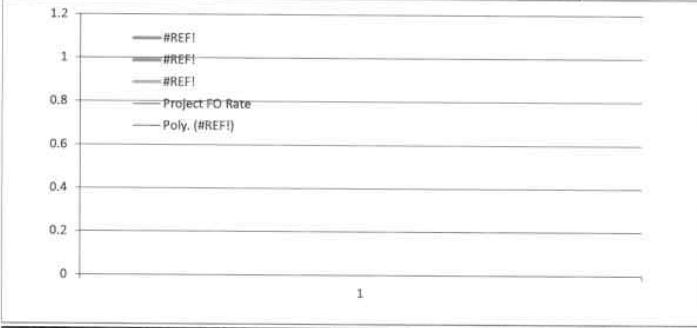
Resources Requirements: (request forms and approvals attached)							
Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Capital Tools:
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Fleet:
							<input type="checkbox"/> YES - attach form
							<input checked="" type="checkbox"/> NO or Not Required



Capital Project Business Case

Key Performance Indicator(s)
 Expected Performance Improvements

KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here



Prepared signature [Signature]
 Reviewed signature [Signature]
 Director/Manager
 Other Party Review signature _____
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Project

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Coyote Springs 2 Replace Inlet Air Filter System

ER No: ER Name:

4167 CS2 Inlet Air System

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$510¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014	500						500						
2015													
2016													

Business Case Description:

Coyote Springs 2 Replace Inlet Air Filter System. This project would replace the present air filters with a new system that is more effective at particulate removal than the current system. cursory studies indicate that these new filters would reduce the number of water wash's required to maintain unrestricted air flow, and reduce the particles going through the turbine, which in turn reduces the erosion we see on the blades and buckets.

Offsets:

An estimated savings of \$20,587 (\$13,384 WA) for 2014 was determined and presented on the attached Business Case. If Coyote Springs 3 continues with the current system, performance level decreases will be experienced over time until the air media needs to be replaced. This has been included in the O&M Offsets adjustment as shown in Company witness Mrs. Andrews' workpapers.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Project Business Case

Investment Name:	CS2 Inlet Air Sys	Assessments:	
Requested Amount	\$ 500,000	Financial:	7.00%
Duration/Timeframe	1 Year Project	Strategic:	Generating Plant Modernization
Dept., Area:	Power Supply	Business Risk:	Business Risk Reduction >0 and <= 5
Owner:	Scott Kinney / Andy Vickers	Project Risk:	High certainty around cost, schedule and resources
Sponsor:	Jason Thackston	Assessment Score:	80
Category:	Project	Annual Cost Summary - Increase/(Decrease)	
Mandate/Reg. Reference:	n/a	Performance	Capital Cost

Recommend Project Description: Coyote Springs 2 Replace Inlet Air Filter System. This project would replace the present air filters with a new system that is more effective at particulate removal than the current system. cursory studies indicate that these new filters would reduce the number of water wash's required to maintain unrestricted air flow, and reduce the particles going through the turbine, which in turn reduces the erosion we see on the blades and buckets.	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
	Would reduce need for water wash. Assume on per year	\$ 500,000	\$ (20,587)	\$ -	3

Annual Cost Summary - Increase/(Decrease)		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Alternatives:						
Unfunded Project:	We can continue to operate with the current system but at a slightly decreasing performance level over time until we would be forced to replace the air media in the future.	n/a	\$ -	\$ 20,587	\$ -	6
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	3
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2013	\$ 10,000	\$ -	\$ -	\$ 10,000
2014	\$ 490,000	\$ (20,587)	\$ -	\$ 500,000
2015	\$ -	\$ -	\$ -	\$ -
2016	\$ -	\$ -	\$ -	\$ -
2017+	\$ -	\$ -	\$ -	\$ -
Total	\$ 500,000	\$ (20,587)	\$ -	\$ 510,000

Associated Ers (list all applicable):			

ER	2013	2014	2015	2016	2017+	Total	Mandate Excerpt (if applicable):
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	provide brief citation of the law or regulation and a reference number if possible
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Additional Justifications: Any supplementary information that may be useful in describing in more detail the nature of the Project, the urgency, etc.

Milestones (high level targets)

August-13	Project Initiated	January-00	open	January-00	open
December-13	Material Ordered	January-00	open	January-00	open
July 1 14	System Installed	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open

Milestones should be general. Use your judgement on project progress so that progress can

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required	Capital Tools:	<input type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required
Contract Labor:	<input type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required	Fleet:	<input type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required

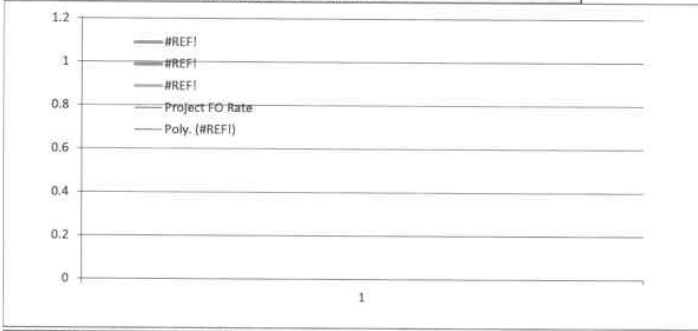


Capital Project Business Case

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here



Prepared signature *[Signature]*
 Reviewed signature *[Signature]*
 Director/Manager
 Other Party Review signature _____
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Project

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Colstrip Thermal Capital

ER No: ER Name:

4116 Colstrip Capital Additions

7130 Colstrip Unit 4 Outage due to Generator Failure

Approved Business Case Spend Amount 2013-2016 (\$000s): \$16,218¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014	8,004	210	616	636	658	1,123	874	584	627	607	616	608	845
2015	3,177	235	233	240	248	424	330	220	237	229	233	229	319
2016	5,836	395	390	416	432	940	650	371	396	385	390	386	685

Business Case Description:

This program is for ongoing capital expenditures associated with normal outage activities on Units 3 & 4 at Colstrip. Every 2 out of 3 years we have outages at Colstrip with higher capital program activities. For non-outage years, the program activities are reduced. Avista votes its 15% share of Unit's 3 & 4 and its approximate 10% share of common facilities to approve or disapprove of the budget proposed by PPLM on behalf of all the owners. Individual projects are reviewed for appropriate rates of return and necessity.

Offsets:

There are no anticipated offsets with this business case.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Colstrip 3&4 Capital	Assessments:	
Requested Amount	Estimated Total Capital Expenditure	Financial:	10.00%
Duration/Timeframe	5+ Year Program	Strategic:	None
Dept., Area:	Power Supply	Business Risk:	Business Risk Reduction - None
Owner:	Scott Kinney	Program Risk:	Low certainty around cost, schedule and resources
Sponsor:	Jason Thackston	Assessment Score:	29
Category:	Program	Annual Cost Summary - Increase/(Decrease)	
Mandate/Reg. Reference:	n/a	Capital Cost	O&M Cost
		Other Costs	Business Risk Score

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program is for ongoing capital expenditures associated with normal outage activities on Units 3 & 4 at Colstrip. Every 2 out of 3 years we have outages at Colstrip with higher capital program activities. For non-outage years, the program activities are reduced. Avista votes its 15% share of Unit's 3 & 4 and its approximate 10% share of common facilities to approve or disapprove of the budget proposed by PPLM on behalf of all the owners. Individual projects are reviewed for appropriate rates of return and necessity.	These programs are required for continued operation of units 3&4	\$ 7,420,000	\$ -	\$ -	0

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Generally speaking, we can only vote our small share. We do not have the option of unilaterally rejecting the proposed capital projects. We would have to sell our portion of the plant to escape funding these projects.	\$ -	\$ -	\$ 50,000,000	0
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0

Program Cash Flows	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2014	\$ 7,414,223	\$ -	\$ -	\$ 7,205,250
2015	\$ 3,176,850	\$ -	\$ -	\$ 3,176,850
2016	\$ 6,054,849	\$ -	\$ -	\$ 5,836,350
2017	\$ 7,486,699	\$ -	\$ -	\$ 7,377,450
2018	\$ 2,232,750	\$ -	\$ -	\$ 2,232,750
Total	\$ 26,365,371	\$ -	\$ -	\$ 25,828,650

Associated Ers (list all applicable):
4116

ER	2014	2015	2016	2017	2018	Total
4116	\$ 7,414,223	\$ 3,176,850	\$ 6,054,849	\$ 7,486,699	\$ 2,232,750	\$ 26,365,371
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Total	\$ 7,414,223	\$ 3,176,850	\$ 6,054,849	\$ 7,486,699	\$ 2,232,750	\$ 26,365,371

Mandate Excerpt (if applicable):
 We have limited input. This provides somewhat of a mandate. Also, this program is a "rollup" of many categories of capital work. Many are, in fact mandated by EPA and other regulatory bodies.

Additional Justifications:
 These projects are reviewed individually by PPL and the remaining members of the committee. Joint approval is given only where need and/or shareholder/ratepayer needs meet the proper thresholds.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input checked="" type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure: Fill in the name of the KPI here

Fill in the name of the KPI here



Prepared signature *Sharon C. Boyer* 10/2/13

Reviewed signature *Scott Kinney* 12/2/13
 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager



Capital Program Business Case



This space is to be used for photographs, charts, or other data that may be useful in evaluating the Program

To be completed by Capital Planning Group	
Rationale for decision	Review Cycles 2012-2016
	Date
	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Kettle Falls Generating Facility (“KFGS”) Water Supply

ER No: ER Name:

4151 Kettle Falls Develop New River Wells

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$1,310¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014	1,615							1,615					
2015													
2016													

Business Case Description:

KFGS receives its water from the City of Kettle Falls from an agreement that dates back to the construction of the plant in the early 1980's. That agreement will expire next year and future rates will be higher, affecting the costs of the plant. This effort is to secure necessary water rights and a long-term water supply for the plant that is controlled by the Company.

Offsets:

Since the plant went into service, the water supply requirements for the plant have come from the City of Kettle Falls. When completed, this project will allow us to move off of the City system as we will have our own water supply. This will reduce the amount we pay for the water and this is the source of that offset. It is estimated that the net savings in 2015 will be \$18,750 for total system and \$12,189 allocated to Washington. This has been included in the O&M Offsets adjustment as shown in Company witness Mrs. Andrews’ workpapers.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

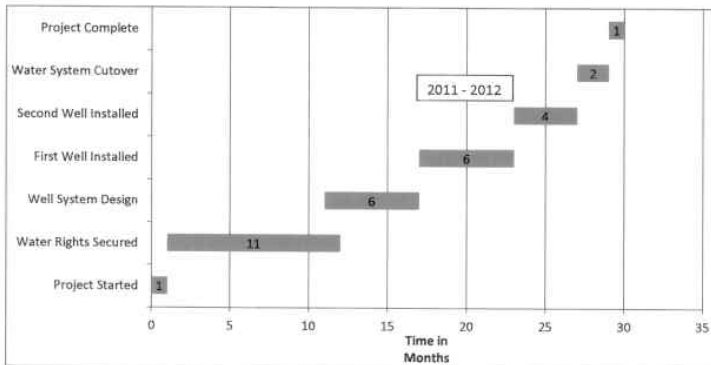


Capital Investment Business Case

Investment Name:	Kettle Falls Water Supply	Assessments:				
Requested Amount	\$1,500,000	Financial:	Medium - >= 5% & <9% CIRR			
Duration/Timeframe	1 Year Project	Strategic:	Reliability & Capacity			
Dept., Area:	GPSS	Operational:	Operations require execution to perform at current levels			
Owner:	Andy Vickers	Business Risk:	ERM Reduction >5 and <= 10			
Sponsor:	Jason Thackston	Project/Program Risk:	High certainty around cost, schedule and resources			
Category:	Project	Assessment Score:	84	Cost Summary - Increase/(Decrease)		
Mandate/Reg. Reference:	n/a	Performance	Capital Cost	O&M Cost	Other Costs	
Recommend Project Description:		Business Risk Score				
KFGS receives its water from the City of Kettle Falls from an agreement that dates back to the construction of the plant in the early 1980's. That agreement will expire next year and future rates will be higher - impacting the costs of the plant. This effort is to secure necessary water rights and a long term water supply for the plant that is controlled by the company.		This will not affect current plant performance	\$ 850,000	\$ (18,750)	\$ -	0
Alternatives:		Cost Summary - Increase/(Decrease)				
Status Quo :	This is not an option, the agreement will expire next year so either a higher rate will result or a new source will need to be developed.	n/a	\$ -	\$ 18,750	\$ -	0
Alternative 1: Brief name of alternative (if applicable)	This project is to develop a two pump system so that if a pump fails, we would still have water to operate the plant. We could eliminate this pump and risk a forced outage on a water pump failure.	increases risk of a forced outage	\$ 1,700,000	\$ (18,750)	\$ -	0
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Timeline

Construction Cash Flows (CWIP)



	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 151,837	\$ -	\$ -	\$ 151,837
2012	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
2013	\$ 600,000	\$ -	\$ -	\$ 460,000
2014	\$ -	\$ -	\$ -	\$ 850,000
2015	\$ -	\$ -	\$ -	\$ -
2016	\$ -	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -	\$ -
Future	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,251,837	\$ -	\$ -	\$ 2,961,837

Milestones (high level targets)

September-09	Project Started	July-12	Water System Cutover
October-10	Water Rights Secured	August-12	Project Complete
June-11	Well System Design		
March-12	First Well Installed		
June-12	Second Well Installed		

Associated Ers (list all applicable):	4151					
Mandate Excerpt (if applicable):	n/a					

Additional Justifications:

Water rights have been procured but are currently being carried in suspense on this project. \$800,000 of the \$1,500,000 are in this account. Work to develop the first well was begun in 2011 and continues through the first quarter of 2012. In addition, this item includes an estimated \$300,000 to procure additional water rights to guarantee adequate water for the future. Actual cash expected for 2012 is \$700,000

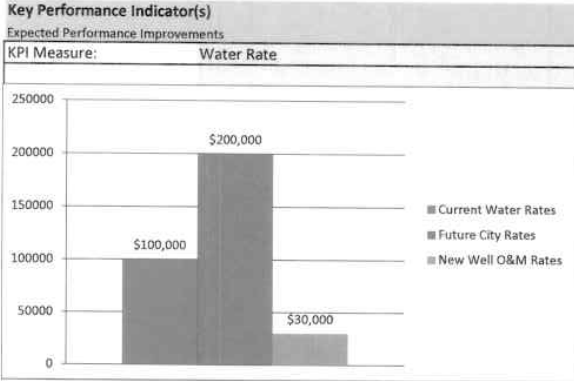


Capital Investment Business Case

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required



Prepared signature Steve Wank

Reviewed signature Andrew King
 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the project

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Post Falls South Channel Gate Replacement

ER No: ER Name:

4162 PF S Channel Gate Replacement

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$11,008¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014													
2015	11,008			11,008									
2016													

Business Case Description:

Avista had planned to maintain the south channel gates to comply with FERC Dam Safety directives. When a pre-construction underwater investigation was done, it was discovered that the condition of the concrete structure was very poor and would not handle the planned work. This project includes an engineering investigation into options and project estimates. It is anticipated that much of the existing concrete structure will be removed and replaced with a new concrete structure, new gates and hoist systems to automate the operation.

Offsets:

An O&M Offset was included in the O&M Offset adjustment for \$5,000 in 2015. After the revenue requirements was finalized, it was determined that these savings are related to employee labor that will be redistributed to other projects and should have been excluded.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Post Fall South Channel Replacement	Assessments:	
Requested Amount	Estimated Total Capital Expenditure	Financial:	0.00%
Duration/Timeframe	3 Year Project	Strategic:	Generating Plant Modernization
Dept., Area:	GPSS	Business Risk:	Business Risk Reduction >0 and <= 5
Owner:	Andy Vickers	Project Risk:	High certainty around cost, schedule and resources
Sponsor:	Jason Thackston		
Category:	Mandatory		
Mandate/Reg. Reference:	CFR Title 18, Chapter I, Subchapter B, Part 12	Assessment Score:	55

Recommend Project Description:		Annual Cost Summary - Increase/(Decrease)			
	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Avista had planned to maintain the south channel gates to comply with FERC Dam Safety directives. When a pre-construction underwater investigation was done, it was discovered that the condition of the concrete structure was very poor and would not handle the planned work. This has resulted in an effort to evaluate options. This item includes an engineering investigation into options and project estimates. It is anticipated that much of the existing concrete structure will be removed and replaced with a new concrete structure, new gates and hoist systems to automate the operation.	Gate operations would be automated.	\$ 11,008,000	\$ (5,000)		5
Alternatives:		Annual Cost Summary - Increase/(Decrease)			
	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	We are currently under a FERC Dam Safety directive to correct problems on the existing gates and structure. We have deferred these costs for several years and are in the process of requesting additional delays of mandated work.	\$ -	\$ -	\$ -	20
Alternative 1: Brief name of alternative (if applicable)	At the time this case is being submitted, no alternatives are known.	\$ -	\$ -	\$ -	5
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 63,830	\$ -	\$ -	\$ 63,830
2013	\$ 950,000	\$ -	\$ -	\$ 1,144,000
2014	\$ 1,920,000	\$ -	\$ -	\$ 8,294,000
2015	\$ -	\$ -	\$ -	\$ 1,570,000
2016	\$ -	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,870,000	\$ -	\$ -	\$ 11,008,000

Associated Ers (list all applicable):

new			

ER	2013	2014	2015	2016	2017	Total	Mandate Excerpt (if applicable):
new	\$ 960,000	\$ 1,950,000	\$ -	\$ -	\$ -	\$ 2,910,000	CFR 18.I.B.Part 12; 2007 FERC Inspection Report, July 10, 2007 Letter to FERC with Plan and Schedule; 2011 FERC Inspection Report and Part 12 Report Recommendation and August 13, 2012 letter to FERC requesting extension Additional Justifications: The sequence of correspondence described above presents the highlights of discussions. This project has also been discussed at numerous meetings and inspections with FERC Dam Safety Inspectors and the FERC Regional Engineer. Expectation of addressing gate structural concerns on this structure are well understood.
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ 960,000	\$ 1,950,000	\$ -	\$ -	\$ -	\$ 2,910,000	

Milestones (high level targets)

September-12	Project Kick-Off	December-14	Construction Complete	January-13	open
March-13	Design Basis Complete	March-12	Project Closed Out	January-13	open
July-13	Gate Supply Bids Out	January-13	open	January-13	open
September-13	Gate Supply Awarded	January-13	open	January-13	open
January-14	Issue Construction RFP	January-13	open	January-13	open
May-14	Installation Contract Awarded	January-13	open	January-13	open

Milestones should be general. Use your judgement on project progress so that progress can be measured. Provide at least three milestones per year

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input checked="" type="checkbox"/> Medium Probability	<input type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

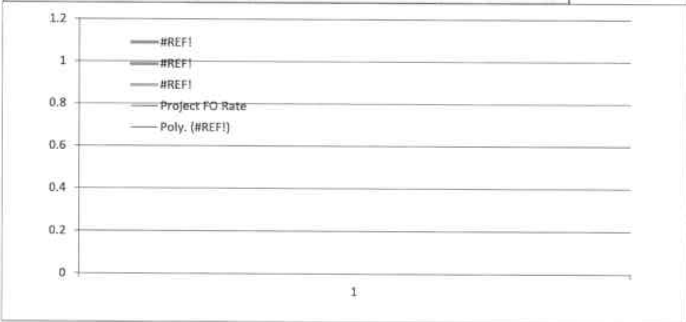


Capital Program Business Case

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure: FERC Mandate



Prepared signature *[Signature]*

Reviewed signature *[Signature]*
 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager

Because of the timing of the discovery of the concrete condition, the initial budget estimate was made very quickly within a two week time period which did not allow for much investigation of what would be needed for the project. As a result, the original request has been increased as we have learned about the needed work to address this issue.

Additional Information: The original plan had contemplated a single spillgate in place of the current six gates, expecting to reduce construction costs. However, upon further scoping work, it was determined that going to a single gate design would require removal of six post tension anchors that were installed in the 1990's for dam stability. This forced a change in scope to include six gates, increasing the cost.

Also, the project will now require a cofferdam to facilitate the necessary construction. That along with the access improvements needed to perform the site construction have also increased the cost over the original estimate.

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Cabinet Gorge Unit 1 Refurbishment

ER No: ER Name:

4161 CG HED U#1 Refurbishment

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$11,400¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014													
2015	11,400				10,880			520					
2016													

Business Case Description:

This is the Capital portion of a major overhaul project planned for Cabinet Gorge Unit 1. The runner hub has significant issues, and will need to be upgraded to allow for frequent cycling with integration of intermittent resources. The present automatic voltage regulator has relatively slow response due to its hybrid design. It also has no limiters for generator protection. A new system will improve both of these. The machine monitoring will allow for better analysis of the machine condition for this critical unit. New protective relays will be installed and new controls will be integrated with the project to replace the failing Bailey NET90 system. Rehab of this unit will also allow flexibility around minimum flow for fish habitat.

Offsets:

There are no anticipated offsets with this business case.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Cabinet Gorge Unit 1 Refurbishment_Rehab	Assessments:	
Requested Amount	Estimated Total Capital Expenditure	Financial:	9.24%
Duration/Timeframe	3 Year Project	Strategic:	Generating Plant Modernization
Dept., Area:	GPSS	Business Risk:	Business Risk Reduction >5 and <= 10
Owner:	Andy Vickers	Project Risk:	High certainty around cost, schedule and resources
Sponsor:	Jason Thackston	Assessment Score:	98
Category:	Project	Annual Cost Summary - Increase/(Decrease)	
Mandate/Reg. Reference:	n/a	Performance	Capital Cost

Recommend Project Description: This is the Capital portion of a major overhaul project planned for Cabinet Gorge Unit 1. The runner hub has significant issues, and will need to be upgraded to allow for frequent cycling with integration of intermittent resources. The present AVR is relatively slow response due to its hybrid design. It also has no limiters for generator protection. A new system will improve both of these. The machine monitoring is to allow for better analysis of machine condition for this critical unit. New protective relays are to be installed and new controls will be integrated with the project to replace the failing Bailey NET90 system. Rehab of this unit will also allow flexibility around minimum flow for fish habitat.	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
	Better voltage control and response for blackstart (NERC), predictable rewind timing	\$ 11,400,000	\$ -	\$ -	4

Annual Cost Summary - Increase/(Decrease)						
Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score	
Unfunded Project:	The unit will continue to deteriorate, and we will miss the opportunity of being able to run the plant at 3,000cfs, losing considerable flexibility	n/a	\$ -	\$ 1,550,027	\$ -	12
Alternative 1: Install IRIS Monitoring System Only	Most critical is to install a Partial Discharge Monitoring system to better assess the condition of the generator winding to assist in rewind timing. The unit is also in need of rewedge & re-insulation of the field windings	none	\$ 949,000	\$ 868,026	\$ -	4
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 330,000	\$ -	\$ -	\$ -
2013	\$ 5,172,658	\$ -	\$ -	\$ 1,300,000
2014	\$ 3,394,638	\$ -	\$ -	\$ 5,200,000
2015	\$ -	\$ -	\$ -	\$ 4,900,000
2016	\$ -	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -	\$ -
Total	\$ 8,567,296	\$ -	\$ -	\$ 11,400,000

Associated Ers (list all applicable):	none
---------------------------------------	------

ER	2013	2014	2015	2016	2017	Total
none	\$ 5,172,658	\$ 3,394,638	\$ -	\$ -	\$ -	\$ 8,567,296
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Total	\$ 5,172,658	\$ 3,394,638	\$ -	\$ -	\$ -	\$ 8,567,296

Mandate Excerpt (if applicable):	not applicable
Additional Justifications:	The present AVR is a hybrid design that utilized the rotating exciter equipment. When we perform blackstart testing, the relatively slow response of the AVR system does not allow the unit to maintain a stable voltage output to energize transmission lines and other loads. A new fast response system will remedy this dilemma. New Relays, Unit Control System, and other equipment replacements will be performed to update this machine to modern standards.

Milestones (high level targets)

October-12	Project Start	September-13	Discharge Ring installation	January-14	open
November-12	Basis of Design	October-13	Runner delivered to site	November-14	open
December-12	AVR Ordered	November-14	Runner installation	January-15	open
March-13	Monitoring Equipment Ordered	January-14	Installation Completion	April-15	open
July-13	Final Design	March-14	Machine in Service	April-15	open
September-13	Equipment Delivered to Site	September -14	open	January-13	open

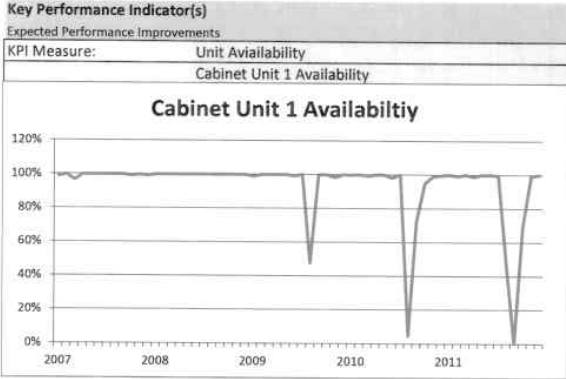
Milestones should be general. Use your judgement on project progress so that progress can be measured. Provide at least three milestones per year

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required



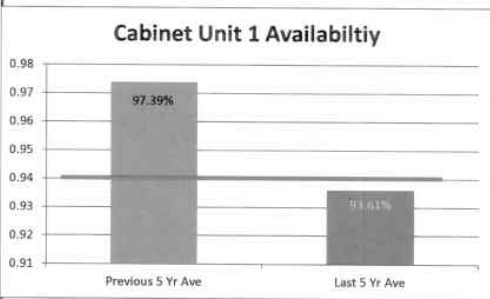
Capital Program Business Case



Prepared signature *Steve Wank*

Reviewed signature *Andrew K...*
 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager



Some other explanation of the chart included above is that you can see that we are experiencing increasing outages over time to address the problems with the unit. These outages are generally increasing over time.

The monitoring system is intended to help us capture when a major outage is likely to occur and then plan accordingly. An asset management study has shown the benefits of a monitoring system that we can use to predict when we should plan for major events rather than perform the work after failure.

The chart at the left shows the decreasing availability that has been experienced over the past ten years due to mechanical problems with the unit. Doing this capital project at the same time as the major maintenance will improve future availability as this will not be needed again.

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Generation / Production

Business Case Name: Kettle Falls Generating Station Ash Collector

ER No: ER Name:
4168 KFGS Ash Collector

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$1,907¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014													
2015	1,907								1,907				
2016													

Business Case Description:

This project will replace the ash collector at the Kettle Falls Generating Station. The current unit requires frequent repair of metal surfaces due to ash abrasion, which requires plant outages.

Offsets:

O&M savings are estimated to be \$75,000 in 2014 (\$48,758 Washington) due to the reduction of maintenance costs associated with ash abrasion and have been included in the O&M Offsets adjustment as shown in Company witness Mrs. Andrews' workpapers.

There is \$38,100 of avoided costs that will not otherwise result in incremental cost savings. It is estimated that there is a 20% probability of an outage occurring if the replacement does not take place. By putting into service the ash collector, it is estimated that \$190,500 of additional costs are avoided. The total avoided cost of a five day outage, based on the probability of occurrence of 20%, is calculated to be \$38,100 (\$190,500 x 20%) system and \$9,529 Washington.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Project Business Case

Investment Name:	KFGS Ash Collector	Assessments:					
Requested Amount	\$1,907,000	Financial:	6.91%				
Duration/Timeframe	1 Year Project	Strategic:	Life-cycle asset management				
Dept., Area:	GPSS	Business Risk:	Business Risk Reduction >5 and <= 10				
Owner:	Andy Vickers	Project Risk:	High certainty around cost, schedule and resources				
Sponsor:	Jason Thackston	Assessment Score:	94				
Category:	Project	Annual Cost Summary - Increase/(Decrease)					
Mandate/Reg. Reference:	n/a	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score	
Recommend Project Description:		To replace the ash collector at the Kettle Falls Generating Station. Current unit requires frequent repair of metal surfaces due to ash abrasion, requiring plant outages. Other	Would eliminate need to reweld current ash collector and associated risks of failure	\$ 1,907,000	\$ (75,000)	\$ (38,100)	3
Alternatives:		Annual Cost Summary - Increase/(Decrease)					
Unfunded Project:	Continue to repair, risking plant availability	Requires plant outages to repair.	\$ -	\$ 75,000	\$ 38,100	9	
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	3	
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0	
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0	

Program Cash Flows					Associated Ers (list all applicable):			
	Capital Cost	O&M Cost	Other Costs	Approved				
Previous	\$ -	\$ -	\$ -	\$ -				
2013	\$ -	\$ -	\$ -	\$ -				
2014	\$ 1,907,000	\$ -	\$ -	\$ 907,000				
2015	\$ -	\$ -	\$ -	\$ 1,000,000				
2016	\$ -	\$ -	\$ -	\$ -				
2017+	\$ -	\$ -	\$ -	\$ -				
Total	\$ 1,907,000	\$ -	\$ -	\$ 1,907,000				

ER	2013	2014	2015	2016	2017+	Total	Mandate Excerpt (if applicable):
4149	\$ -	\$ 1,907,000	\$ -	\$ -	\$ -	\$ 1,907,000	provide brief citation of the law or regulation and a reference number if possible
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ 1,907,000	\$ -	\$ -	\$ -	\$ 1,907,000	Additional Justifications: Any supplementary information that may be useful in describing in more detail the nature of the Project, the urgency, etc.

Milestones (high level targets)							
January-00	open		January-00	open		January-00	open
January-00	open		January-00	open		January-00	open
January-00	open		January-00	open		January-00	open
January-00	open		January-00	open		January-00	open
January-00	open		January-00	open		January-00	open
January-00	open		January-00	open		January-00	open

Milestones should be general. Use your judgement on project progress so that progress can

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

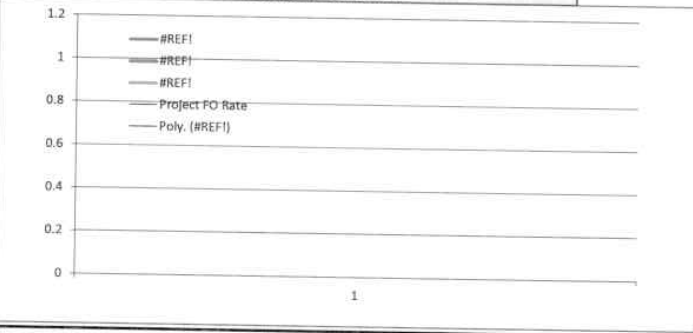


Capital Project Business Case

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure: Fill in the name of the KPI here
Fill in the name of the KPI here



Prepared Neil Thorson *Neil Thorson*
 Reviewed signature *Andrew West*
 Director/Manager
 Other Party Review signature
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Project

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: General

Business Case Name: Capital Tools & Stores Equipment

ER No: ER Name:

7005 Stores Equip

7006 Tools Lab & Shop Equipment

7002 Office Mach & Equipment

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$7,631¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	404						18	20	57	37	136	136	
2014	1,937	280	280	280	43	43	43	43	43	43	280	280	280
2015	2,348	333	333	333	58	58	58	58	58	58	333	333	333
2016	2,466	348	348	348	63	63	63	63	63	63	348	348	348

Business Case Description:

This business case is for the purchase and repair of tool and facility material handling equipment. This includes equipment such as forklifts, manlifts, shelving, cutting/binding machines, etc. These funds are used for capital Stores equipment company-wide. The ER's included in this business case are blanket projects that occur year over year

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Capital Tools and Stores				
Requested Amount	\$	1,936,500	Assessments:		
Duration/Timeframe	Ongoing	Year Program	Financial:	MH - >= 9% & <12% CIRR	
Dept., Area:	Supply Chain		Strategic:	Life Cycle Programs	
Owner:	Cody Krogh		Operational:	Operations require execution to perform at current levels	
Sponsor:	Don Kopczynski		Business Risk:	ERM Reduction >0 and <= 5	
Category:	Program		Program Risk:	High certainty around cost, schedule and resources	
Mandate/Reg. Reference:	n/a		Assessment Score:	84	Annual Cost Summary - Increase/(Decrease)
Recommend Program Description:			Performance	Capital Cost	O&M Cost
Purchase and repair of tool and facility material handling equipment			Enhances crew efficiency	\$ 1,500,000	\$ -
				Other Costs	Business Risk Score
				\$ -	0
			Annual Cost Summary - Increase/(Decrease)		
Alternatives:			Performance	Capital Cost	O&M Cost
Status Quo:	Describe the current condition of the asset(s) and problems that need to be corrected		n/a	\$ -	\$ -
				Other Costs	Business Risk Score
				\$ -	0
Alternative 1: Repair all tools	Increased labor to repair failed tools, increased cost to have outside repairs performed (not all tools can be repaired), delayed response by crews, reduced crew efficiency, increased labor to find/rent tools and equipment, safety concerns for not having appropriate equipment to perform craft work (meter testing, metering equipment, specialized cable splicing, leak detection, utility locating equipment, reduction of safety related equipment, etc.)		n/a	\$ -	\$ 1,233,606
				Other Costs	Business Risk Score
				\$ -	0
Alternative 1: Rent Forklifts	Increased rental expense & labor to "Other" budget shifting 95% of costs to CAP loading, 5% to O&M			\$ 665,000	\$ 35,000
				Other Costs	Business Risk Score
				\$ -	0

Program Cash Flows				Associated Ers (list all applicable):			
5 years of costs				2013	2014	2015	2016
	Capital Cost	O&M Cost	Other Costs	Approved	7006	1500000	7008 \$ 1,422,007
							7005 514493
2013	\$ 1,500,000	\$ -	\$ -	\$ 880,000			
2014	\$ 1,575,000	\$ -	\$ -	\$ 1,936,500			
2015	\$ 1,653,750	\$ -	\$ -	\$ 2,348,325			
2016	\$ 1,736,438	\$ -	\$ -	\$ 2,465,742			
2017	\$ 1,823,259	\$ -	\$ -	\$ 2,552,563			
2018				\$ 2,552,563			
Total	\$ 8,288,447	\$ -	\$ -	\$ 12,735,693			

Mandate Excerpt (if applicable):
 N/A

Additional Justifications:
 Increased budget 2014-2017 amount by 5% to account for inflation

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).
Contract Labor:	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	



Capital Program Business Case

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Tool Repair as a percentage of tool purchases
	Fill in the name of the KPI here

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Reviewed signature 
 Director/Manager

Other Party Review signature 
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Program

To be completed by Capital Planning Group		
Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: General

Business Case Name: Central Operating Facility (Mission Campus) Long-Term Restructuring Plan

ER No: ER Name:
7126 Long term Campus Re-Structuring Plan

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$14,700¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	8,461						1,060	623	627			1,150	5,000
2014	2,000												2,000
2015	1,500												1,500
2016	3,500												3,500

Business Case Description:

Construct a new warehouse in 2012 and remodel the old warehouse in the Service Bldg to accommodate 110 work stations in 2013. The project also adds 125 employee parking spaces. The new warehouse shall utilize current material handling technologies to increase employee efficiencies, and its height will allow more material to be stored per square foot, thus allowing the Company to use limited square space more efficiently. The facility will provide IS/IT infrastructure and networking in north half of the Mission campus where it is currently non-existent, in anticipation of future projects. This project will also allow the HVAC renovation of the north-building wing to be accomplished in one year rather than a staged process, which results in a one-time \$1.2M reduction in capital costs for that project.

Offsets:

No O&M Offsets are listed on the attached Business Case, however after further discussion it was determined that incremental savings occur in 2014 and 2015. These O&M savings are the result of eliminating the need of leased facilities used for personnel that will be relocated to the Mission Campus. In addition, savings are gained due to line trucks and employees not having to travel and off-load waste maters that are recyclable or hazardous. Savings are \$20,000 in 2014 and \$20,000 in 2015 on a system level. The allocation to Washington is 79.22% for Electric and 20.78% for Gas making the Washington allocated savings \$15,844 Electric and \$4,156 Gas in each year. This has been included in the O&M Offsets adjustment as shown in Company witness Mrs. Andrews' workpapers.

In addition, the attached business case shows "other costs" as (\$1,200,000). These savings are related to capital and are not inclusive of O&M savings.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case



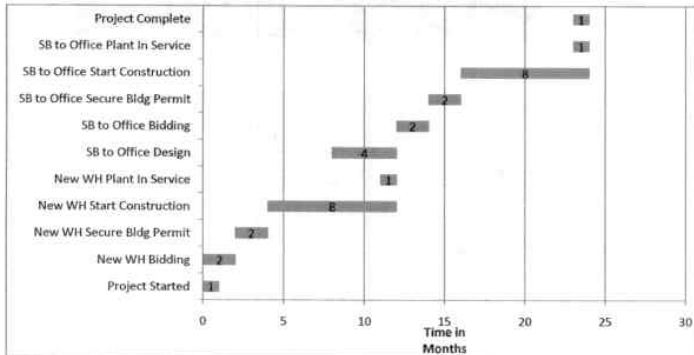
Investment Name:	COF Long-Term Restructuring Plan	Assessments:	
Requested Amount	\$17,750,000	Financial:	High - Exceeds 12% CIRR
Duration/Timeframe	5 Year Project	Strategic:	Other
Dept., Area:	Facilities	Operational:	Operations improved beyond current levels
Owner:	Mike Broemling & Eric Bowles	Business Risk:	ERM Reduction >0 and <= 5
Sponsor:	Don Kopczynski	Project/Program Risk:	High certainty around cost, schedule and resources
Category:	Project	Assessment Score:	100.5
Mandate/Reg. Reference:	n/a	Cost Summary - Increase/(Decrease)	

Recommend Project Description:	Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Construct a new warehouse in 2012 and remodel the old warehouse in the Service Bldg to accommodate 110 work stations in 2013. Also add 125 parking spaces. New warehouse shall utilize current material handling technologies to increase employee efficiencies, and its height will allow for more material to be stored per SF, thus using our limited SF here at the COF more efficiently. Provide IS/IT infrastructure and networking in north half of the COF where it is currently non-existent, in anticipation of future projects. This project will also allow the HVAC renovation of the north building wing to be accomplished in one year rather than a staged process, which results in a one-time \$1.2M reduction in capital costs for that project. PLEASE SEE ADDITIONAL EFFICIENCIES UNDER "ADDITIONAL JUSTIFICATIONS" BELOW. The CIRR is 12.5%-16.0% excluding the HVAC savings and any other facility sales or cessation of rentals.	Alleviates current space issues by creating on-site office space and parking to house employees and contractors	\$ 17,750,000	\$ -	\$ (1,200,000)	3
Cost Summary - Increase/(Decrease)					

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Status Quo: COF will continue to not have enough office space and parking to accommodate demand. Continue to obtain more leases, buy buildings, or buy land and construct buildings to house our employees.	n/a	\$ -	\$ -	\$ -	6
Alternative 1: Construct a new warehouse (recommended option) See Project Description above.	Alleviates current space issues & new warehouse	\$ 9,500,000	\$ -	\$ (1,200,000)	3
Alternative 2: General Office Building 'wing' addition and parking garage Construct a parking garage and an addition to the existing building on the west end (156 workstations and 120 parking spaces). No new warehouse bldg or warehouse efficiency gains.	Alleviates current space issues	\$ 30,000,000	\$ -	\$ -	3
Alternative 3 Name : Ross Court Office Building and Parking Lot Construct a new office building at the Ross Court location in addition to parking spaces (240 workstations and 151 parking spaces). No new warehouse bldg or warehouse efficiency gains.	Alleviates current space issues	\$ 15,000,000	\$ -	\$ -	3

Timeline

Construction Cash Flows (CWIP)



	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2012	\$ 3,050,000	\$ -	\$ -	\$ 3,050,000
2013	\$ 7,700,000	\$ -	\$ -	\$ 7,700,000
2014	\$ 2,400,000	\$ -	\$ -	\$ 2,000,000
2015	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000
2016	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
2017	\$ -	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -	\$ -
Future	\$ -	\$ -	\$ -	\$ -
Total	\$ 18,150,000	\$ -	\$ -	\$ 17,750,000

Milestones (high level targets)

August-12	New WH Start Construction	March-15	WH Yard & Wash Bay Start Const
April-13	New WH Plant In Service	August-15	GPSS & Spo Const. Remodel: Start Const
May-13	SB to Office Start Construction	October-15	WH Yard & Wash Bay In Service
October-13	SB to Office Plant in Service	March-16	GPSS & Spo Const. Remodel: In Service
March-14	New IR & Hazmat Bldg Start Const		
December-14	New IR & Hazmat Bldg In Service		

Associated Ers (list all applicable):	7126						
Mandate Excerpt (if applicable):	n/a						

Additional Justifications:

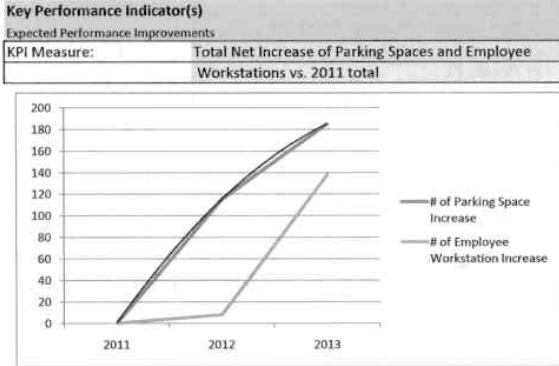
Sept 2013 changes: \$2.4 M for new IR / Haz Mat area in 2014, \$1.5M for WH Yard and Wash Bay in 2015, \$1.5M in 2015 and \$2M in 2016 for G&P/Spo Construct Remodel. New IR and Hazmat Bldgs will result in time efficiencies for linemen trucks and drop off processes. Increasing the WH storage yard will also result in time efficiencies for WH personnel due to closer material, more level asphalted area (rather than gravel), and controlled (fenced) inventory and stocking. Wash bay will save time from washing vehicles off site and will prevent frequent freezing/breakdown of current wash bay. Office renovations of Spokane Construction and GPSS will replace a 30 year old HVAC system and increase number of cubicles on campus to accommodate for growth.

Resources Requirements: (request forms and approvals attached)

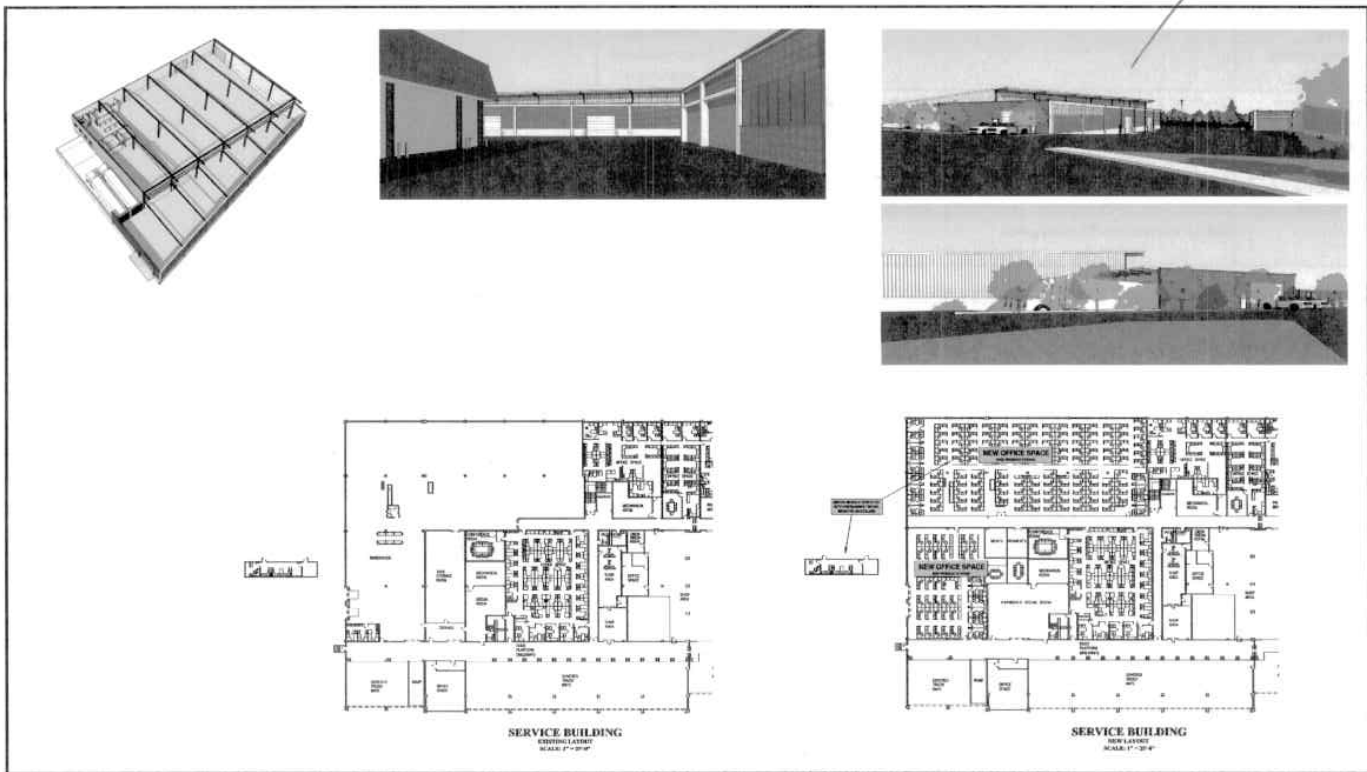


Capital Investment Business Case

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO
 Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required



Prepared signature *[Signature]*
 Reviewed signature *[Signature]* Director/Manager
 Other Party Review signature (if necessary) *[Signature]* Director/Manager



To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: General

Business Case Name: Dollar Rd Service Center Addition and Remodel

ER No: ER Name:

7107 Dollar Road Land Purchase and Facility Expansion

7132 Dollar Rd Service Center Addition and Remodel

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$9,346¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	213								5	2		7	199
2014													
2015													
2016	8,000												8,000

Business Case Description:

New addition and complete remodel of the Dollar Road Service Center. In 2012/13, this project involves the construction of a new 15,000 square foot Fleet Facility.

For 2015/16, the project involves construction of a new 2-story office building, gas meter shop, covered parking canopies, parking lot, and asphalted storage yard. The following items will be completed:

- 1) structural strengthening of existing building roof components to alleviate current leaking and structural snow deflection/damage.
- 2) New building shell/envelope over the existing building, and insulation for increased energy efficiencies.
- 3) Construction of a new gas meter shop which will be relocated from the central Mission campus. This will allow the Company to reclaim square footage to help alleviate current space issues at the Mission campus. The project will also allow for the introduction of current technologies and efficiencies to gas meter shop operations.

Offsets:

O&M offsets per the attached Business Case are \$20,000. Savings are related to the new facility and will reduce office space rentals due to the relocation of the Gas Meter Shop from Mission Campus, as well as office space on the second floor of the new building. This will also provide yearly energy use and maintenance savings, as well as daily crew workflow efficiencies. After further discussion it was determined that the offsets would total \$91,210 occurring in 2016.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Investment Business Case

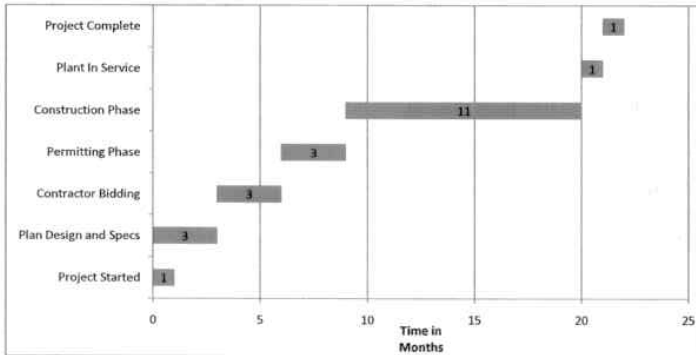
Investment Name:	Dollar Rd Service Center Addition and Remodel	Assessments:	
Requested Amount	\$11,846,000	Financial:	MH - >= 9% & <12% CIRR
Duration/Timeframe	4 Year Project	Strategic:	Other
Dept., Area:	Facilities	Operational:	Operations require execution to perform at current levels
Owner:	Mike Broemling & Eric Bowles	Business Risk:	ERM Reduction >0 and <= 5
Sponsor:	Don Kopczynski	Project/Program Risk:	High certainty around cost, schedule and resources
Category:	Project	Assessment Score:	83
Mandate/Reg. Reference:	n/a		

Recommend Project Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
New addition and complete remodel of the Dollar Road Service Center. 2012/13: Construct new 15,000 SF Fleet Facility. 2015/16: New 2-story office building, gas meter shop, covered parking canopies, parking lot, and asphalted storage yard. The following items will be provided: 1) structural strengthening of existing building roof components to alleviate current leaking and structural snow deflection/damage. 2) New bldg. envelope over existing bldg. and insulation for increased energy efficiencies. 3) New gas meter shop. Move from COF. Reclaim SF at COF to alleviate current space issues. Introduce current technologies and efficiencies to gas mtr shop operations. PLEASE SEE ADDITIONAL EFFICIENCIES UNDER "ADDITIONAL JUSTIFICATIONS" BELOW. The CIRR is 9%-12%.	Provides upgraded facility that translates to efficient, timely, and high productivity for gas services.	\$ 11,846,000	\$ (20,000)	\$ -	2

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score	
Status Quo:	Estimated yearly \$30K O+M costs to upkeep dilapidated building. Capital costs (including asphalt, roof repair, HVAC systems) would be approx. \$150K over the next two years, as probable capital repairs will be needed as facility functions fail. Avista CNG vehicles will need to be serviced by a facility off site	n/a	\$ 150,000	\$ 30,000	\$ -	6
Alternative 1: Construct a new addition and complete remodel. (recommended option)	See Project Description above.	Provides upgraded gas facility.	\$ 8,500,000	\$ (20,000)	\$ -	2
Alternative 2: Purchase another lot and build entirely new building	Price increase due to purchasing new lot and for new building construction. No cost savings from reuse of existing structure. May be difficult to sell existing site due to environmental concerns, thus would carry approx. \$10k O+M costs on unused building and land.	Provides upgraded gas facility.	\$ 10,000,000	\$ 20,000	\$ -	2
Alternative 3 Name :			\$ -	\$ -	\$ -	

Timeline

Construction Cash Flows (CWIP)



	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2012	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000
2013	\$ 1,300,000	\$ -	\$ -	\$ 1,346,000
2014	\$ -	\$ -	\$ -	\$ -
2015	\$ 4,000,000	\$ -	\$ -	\$ 4,000,000
2016	\$ 4,000,000	\$ -	\$ -	\$ 4,000,000
2017	\$ -	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -	\$ -
Future	\$ -	\$ -	\$ -	\$ -
Total	\$ 11,800,000	\$ -	\$ -	\$ 11,846,000

Milestones (high level targets)

- July-12 Fleet Bldg Start Construction
- February-13 Fleet Bldg Plant In Service
- July-15 Office Bldg Start Construction
- June-16 Office Bldg Plant in Service

Associated Ers (list all applicable):	7107					
	7001					
Mandate Excerpt (if applicable):	n/a					

Additional Justifications:

5) Covered truck storage for 12 rigs. Protect fleet investments from weather. Also time efficiencies for servicemen, less truck prep due to rainy, snowy, etc. conditions before being dispatched. 6) Wash bay for trucks on-site. Time efficiencies to not take trucks off-site or back to COF for washing. 7) New asphalted storage yard. Shall provide over 2 additional acres of storage for gas equipment. 8) New required IS/IT infrastructure and networking. 9) New required office furniture. 10) Fleet bldg will allow for service of CNG fuel systems for Avista vehicles. Currently we have no code-compliant Fleet facility to serve CNG systems. ***Note: this facility had the 2nd most deficient score on the Facilities Department's Building Assessment Survey. The survey consisted of Avista's company-wide facilities and service centers and shall incur large amounts of O+M funds to upkeep if project is not approved.

Resources Requirements: (request forms and approvals attached)

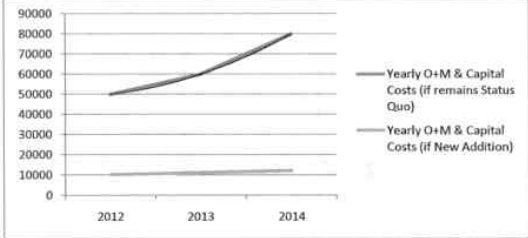


Capital Investment Business Case

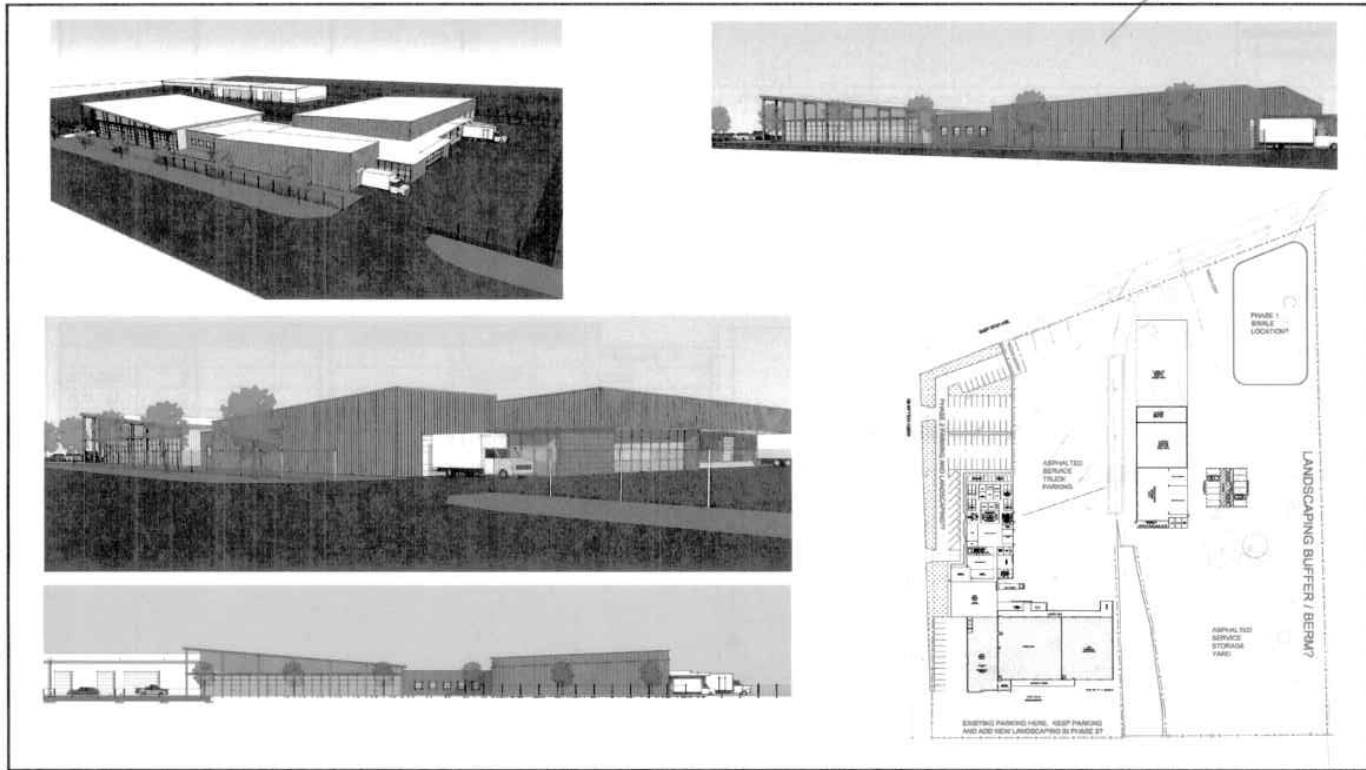
Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Key Performance Indicator(s)
 Expected Performance Improvements
 KPI Measure: Yearly O+M and capital costs for facility



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 Reviewed signature  Director/Manager
 Other Party Review signature (if necessary)  Director/Manager



To be completed by Capital Planning Group		Review Cycles	
Rationale for decision		2012-2016	
Date	Template		

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: General

Business Case Name: Structures and Improvements/Furniture

ER No: ER Name:

7001 Structures & Improvements

7003 Office Furniture

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$14,153¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	2,025							680	9	626	53	383	380
2014	3,353	279	279	279	279	279	279	279	279	279	279	279	279
2015	3,600	300	300	300	300	300	300	300	300	300	300	300	300
2016	3,600	300	300	300	300	300	300	300	300	300	300	300	300

Business Case Description:

This program is for the Capital Maintenance, Improvements, and Furniture budgets at 50 plus Avista offices and service centers (over 700,000 square feet in total). Many of the included service centers were built in the 1950's and 1960's and are starting to show signs of severe aging. The program includes capital projects in all construction disciplines (Roofing, Asphalt, Electrical, Plumbing, HVAC, Energy efficiency projects etc.). This program is driven mainly from the results of an objective building survey completed at each service center. The survey assigns a rating to each building category based on condition. This will help us create capital project lists for each service center and make decisions on continued maintenance vs. future replacement.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Structures and Improvements and Furniture	Assessments:	
Requested Amount	\$25,773,300	Financial:	MH - >= 9% & <12% CIRR
Duration/Timeframe	7 Year Program	Strategic:	Life Cycle Programs
Dept., Area:	Facilities	Operational:	Operations require execution to perform at current levels
Owner:	Mike Broemling & Eric Bowles	Business Risk:	ERM Reduction >0 and <= 5
Sponsor:	Don Kopczynski	Program Risk:	High certainty around cost, schedule and resources
Category:	Program	Assessment Score:	84
Mandate/Reg. Reference:	n/a		

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
This program would be responsible for the Capital Maintenance, Improvements, and Furniture budgets at 50 plus Avista Offices and Service Centers (over 700,000 sf total). Many of the included Service Centers were built in the 50's and 60's and are starting to show signs of severe aging. The program would include Capital projects in all construction disciplines (Roofing, Asphalt, Electrical, Plumbing, HVAC, Energy efficiency projects etc.). This program would be driven mainly from the results of an objective building survey completed at each Service Center. The survey assigns a rating to each building category based on condition. This will help us create capital project lists for each Service Center and make decisions on continued maintenance vs future replacement.	Improve operating functionality, increased safety, increased energy efficiency.	\$ 25,773,300		\$ -	0

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo :	We are experiencing severe issues with Asphalt Parking, Roof leaking, Energy loss due to inefficient HVAC systems, Low E glass, lack of building insulation, etc... Failure to maintain or replace these system can result in excessive Utility bills, increased damage to other adjacent systems, (example roof leak), as well as increased safety liability (sidewalk heaving and potholes) etc...	n/a	\$ -	\$ -	\$ -	0
Alternative 1: Brief name of alternative (if applicable)	Reducing Capital repair and replacements would drive up O & M costs respectively. This would also increase the risk for unplanned major failures which could also incur additional productivity costs for other departments affected (example major HVAC shutdown).	lower capital would drive up O&M and risk major failure	\$ -	\$ -	\$ -	0
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):			
5 years of costs					Current ER	7001	7003	
	Capital Cost	O&M Cost	Other Costs	Approved				
2012	\$ 4,820,000	\$ -	\$ -	\$ 4,420,000				
2013	\$ 4,000,000	\$ -	\$ -	\$ 3,600,000				
2014	\$ 4,000,000	\$ -	\$ -	\$ 3,353,300				
2015	\$ 4,000,000	\$ -	\$ -	\$ 3,600,000				
2016	\$ 4,000,000	\$ -	\$ -	\$ 3,600,000				
2017	\$ -	\$ -	\$ -	\$ 3,600,000				
2018	\$ -	\$ -	\$ -	\$ 3,600,000				
Total	\$ 20,820,000	\$ -	\$ -	\$ 25,773,300				

Mandate Excerpt (if applicable):
 provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:
 With the completion of the Facilities Survey in May 2011, we now have the ability to rate the condition of each of our service centers which in turn helps us allocate money to where it is needed most. We are also working on creating a long range lifecycle plan to identify when continued maintenance is no longer prudent and replacement is a more cost effective solution. In addition, the office furniture budget is included in this program and can support various office remodels, chair and furniture replacements, furniture layout remodels, modular wall systems, and new furniture for misc. projects.

Resources Requirements: (request forms and approvals attached)

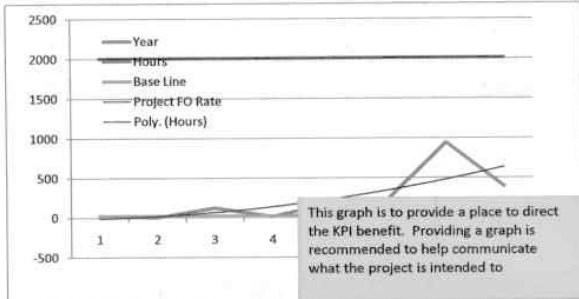
- | | |
|--|---|
| Internal Labor Availability: <input type="checkbox"/> Low Probability <input checked="" type="checkbox"/> Medium Probability <input type="checkbox"/> High Probability | Enterprise Tech: <input checked="" type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required |
| Contract Labor: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO | Facilities: <input checked="" type="checkbox"/> YES - attach form <input type="checkbox"/> NO or Not Required |
| | Capital Tools: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required |
| | Fleet: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required |

Capital Program Business Case

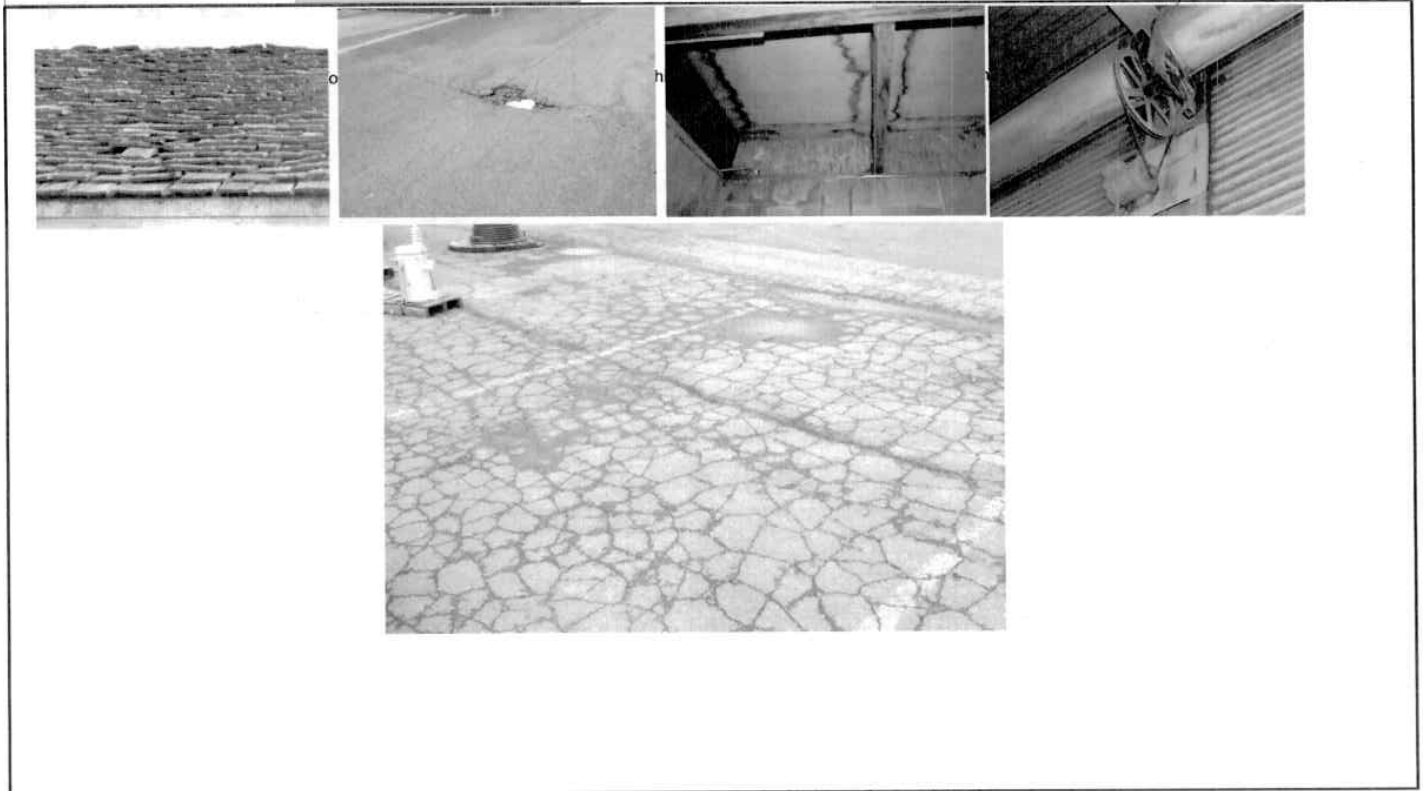


Key Performance Indicator(s)
 Expected Performance Improvements

KPI Measure: Fill in the name of the KPI here
Fill in the name of the KPI here



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 Reviewed signature _____ Director/Manager
 Other Party Review signature _____ Director/Manager
 (if necessary)



To be completed by Capital Planning Group		Review Cycles	
Rationale for decision	2012-2016		
	Date	Template	

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: General

Business Case Name: Clinic Expansion Project

ER No: 7120
ER Name: Spokane Health Clinic

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$150¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	150												150
2014													
2015													
2016													

Business Case Description:

Capital equipment costs for the new Clinic that will be completed in 4th Quarter 2013. Costs include all furniture, specialized equipment, oxygen systems, exam tables etc. for a two-room examination Facility. Project shows the possibility of significant savings to the company through bringing many of the third party health costs back in house at a reduced cost to the employee.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: General

Business Case Name: Apprentice & Craft Training

ER No: 7200
ER Name: Apprentice Craft Train

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$240¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	10											5	5
2014	60	5	5	5	5	5	5	5	5	5	5	5	5
2015	60	5	5	5	5	5	5	5	5	5	5	5	5
2016	60	5	5	5	5	5	5	5	5	5	5	5	5

Business Case Description:

This program is for on-going capital improvements to support the essential skills needed for journeyman workers, apprentices and pre-apprentices now and for the future. It is important to provide the types of training scenarios that employees face in the field. Capital expenditures under this program include items such as building new facilities or expanding existing facilities, purchase of equipment needed, or build out of realistic utility field infrastructure used to train employees. Examples include: new or expanded shops, truck canopies, classrooms, backhoes and other equipment, build out of “Safe City” located at the Company’s Jack Stewart training facility in Spokane, which could include commercial and residential building replicas, and distribution, transmission, smart grid, metering, gas and substation infrastructure.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case



Investment Name:	Apprentice/Craft Trng	Assessments:	
Requested Amount	\$60,000	Financial:	7.00%
Duration/Timeframe	10 Year Program	Strategic:	Performance Excellence
Dept., Area:	Apprentice/Craft Training	Business Risk:	Business Risk Reduction >0 and <= 5
Owner:	Linda Jones	Program Risk:	High certainty around cost, schedule and resources
Sponsor:	Karen Feltes		
Category:	Mandatory	Assessment Score:	102
Mandate/Reg. Reference:	296-05 WAC & Chpt 49 04 RCW	Annual Cost Summary - Increase/(Decrease)	

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
"This program is for on-going capital improvements to support the essential skills needed for journey workers, apprentices and pre-apprentices now and for the future. It is important to provide the types of training scenarios that employees face in the field. The program is for capital infrastructure needed to create an effective set-up for training craft employees. Capital expenditures under this program could include items such as building new facilities or expanding existing facilities, purchase of equipment needed, or build out of realistic utility field infrastructure used to train employees. Examples include: new or expanded shops, truck canopy, classrooms, backhoes and other equipment, build out of "Safe City" - commercial and residential building replicas, and distribution, transmission, smart grid, metering, gas and substation infrastructure."	describe any incremental changes that this Program would benefit present operations	\$ 60,000	\$ -	\$ -	2
		Annual Cost Summary - Increase/(Decrease)			

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program: Without ability to train in-house, critical craft positions would be difficult to fill. Also, regulating bodies may de-certify our Apprentice program. Inability to train in-house may require extensive travel to fulfill our training obligations to maintain required skillsets.	n/a	\$ -	\$ 20,000	\$ -	6
Alternative 1: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	2
Alternative 2: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2013	\$ 60,000	\$ -	\$ -	\$ 60,000
2014	\$ 60,000	\$ -	\$ -	\$ 60,000
2015	\$ 60,000	\$ -	\$ -	\$ 60,000
2016	\$ 60,000	\$ -	\$ -	\$ 60,000
2017	\$ 60,000	\$ -	\$ -	\$ 60,000
2018				\$ 60,000
Total	\$ 300,000	\$ -	\$ -	\$ 360,000

Associated Ers (list all applicable):

ER	2013	2014	2015	2016	2017	Total
7200	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 300,000
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ 300,000

Mandate Excerpt (if applicable):
See Below

Additional Justifications:
The proper training of apprentices is governed by the Washington State Apprenticeship Rules and Act (Chpt 296-05 WAC & Chpt 49 04 RCW) as well as numerous other Washington State Labor and Industries WAC/RCW regulations. And by the Federal Department of Labor under Apprentice Labor Standards 29 CFR Part 29 and the Fitzgerald Act-National Apprenticeship Act and other DOL regulations and rules. Compliance/safety training for journey workers is mandated by multiple rules/regulations at the federal level via OSHA and at the state level via WESA.

Resources Requirements: (request forms and approvals attached)

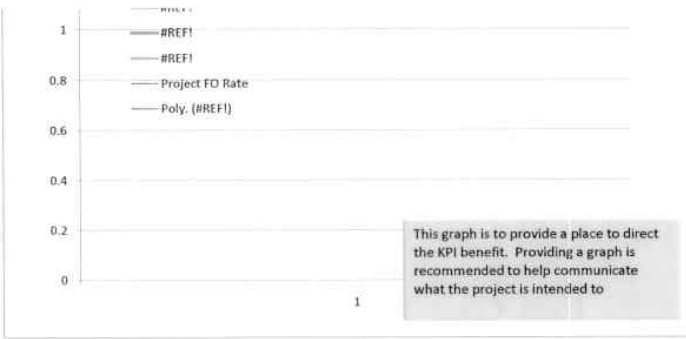
Internal Labor Availability: <input type="checkbox"/> Low Probability <input type="checkbox"/> Medium Probability <input checked="" type="checkbox"/> High Probability	Enterprise Tech: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).
Contract Labor: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	Facilities: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Capital Tools: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Fleet: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	

Key Performance Indicator(s)
 Expected Performance Improvements
 KPI Measure: Fill in the name of the KPI here
 Fill in the name of the KPI here

Prepared N Thorson

1.2 #RFF1

Capital Program Business Case



Reviewed signature Linda Jones
 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Program

To be completed by Capital Planning Group		Review Cycles	
Rationale for decision		2012-2016	
		Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: General

Business Case Name: HVAC Renovation Project at Mission Campus Headquarters

ER No: 7101
ER Name: COF HVAC Improvement

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$17,383¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	6,507								16	26	18	-53	6,500
2014	2,000				2,000								
2015	8,000							8,000					
2016													

Business Case Description:

The HVAC Renovation Project began in 2007 and 2008. The HVAC Project is a systematic replacement of the original 1956 Heating, Ventilation and Air Conditioning System for the Service Building, Cafeteria/Auditorium and General Office Building. The original HVAC equipment has been operating 24/7 since original construction in 1956. The Project entails a floor by floor evacuation and relocation of employees and a complete demolition of each floor; including a massive Asbestos Abatement component, and removing the original fire proofing on the basic steel structure. The Project requires exhaustive demolition and reconstruction of each floor. Sustainable energy savings and conservation are built into the Project as we apply for LEED certification for each floor. The 5th, 4th, and 3rd floor has obtained LEED-CI Gold status recognizing all of the renewable strategies we employed during the design and construction phases. The goal of this project is to re-purpose and recycle the entire Facility for the next generation of Avista employees to use for 50 more years. Life cycle costs weighed heavily on our Construction Specifications and equipment choices during the design phase. The design team chose energy efficient equipment that was designed for 30 to 50 year life cycles.

Offsets:

After revenue requirements was finalized, it was determined that offsets exist for this business case. The project will produce approximately \$36,000 (system) in reduced energy costs for 2013 and 2014. For 2013, this would include six months of the savings or \$18,000. Washington’s allocation of this is \$14,000 for Electric and \$4,000 for gas. In 2014, offsets were \$36,000 (\$29,000 WA Electric \$7,000 WA Gas). The O&M savings for 2015 are estimated to be \$112,590 and are planned to be in-service September 2015. As such, the offset amount is \$28,148 (\$22,000 WA Electric and \$6,000 WA Gas). These additional savings should have been included in revenue requirements.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case



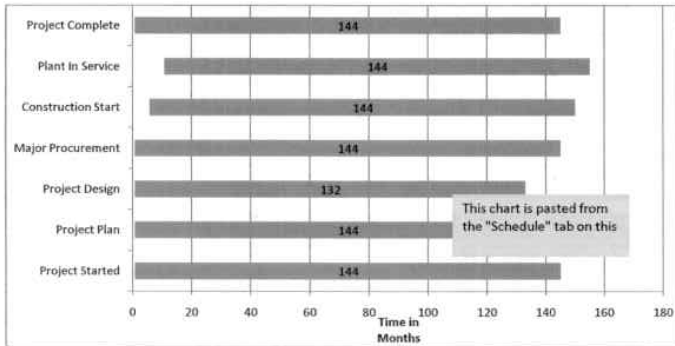
Investment Name:	HVAC Renovation Project	Assessments:	
Requested Amount	\$39,804,485	Financial:	MH - >= 9% & <12% CIRR
Duration/Timeframe	8 Year Project	Strategic:	Life Cycle Programs
Dept., Area:	Facilities Mangement	Operational:	Operations improved beyond current levels
Owner:	Mike Broemling & Eric Bowles	Business Risk:	ERM Reduction >0 and <= 5
Sponsor:	Don Kopczynski	Project/Program Risk:	High certainty around cost, schedule and resources
Category:	Project	Assessment Score:	105
Mandate/Reg. Reference:	n/a	Cost Summary - Increase/(Decrease)	

Recommend Project Description:	Performance	Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
The HVAC Renovation Project began in 2007 and 2008. The HVAC Project is a systematic replacement of the original 1956 Heating, Ventilation and Air Conditioning System for the Service Building, Cafeteria/Auditorium and General Office Building. The original HVAC equipment has been operating 24/7 since original construction in 1956. The Project entails a floor by floor evacuation and relocation of employees and a complete demolition of each floor; including a massive Asbestos Abatement component, and removing the original fire proofing on the basic steel structure. The Project requires exhaustive demolition and reconstruction of each floor. Sustainable energy savings and conservation are built into the Project as we apply for LEED certification for each floor. The 5th, 4th, and 3rd floor has obtained LEED-CI Gold status recognizing all of the renewable strategies we employed during the design and construction phases. The goal of this project is to re-purpose and recycle the entire Facility for the next generation of Avista employees to use for 50 more years. Life cycle costs weighed heavily on our Construction Specifications and equipment choices during the design phase. The design team chose energy efficient equipment that was designed for 30 to 50 year life cycles.	This Project greatly improves air quality in the Facility and saves tremendous amounts of energy going forward.	\$ 39,804,485	\$ -	\$ -	0

Alternatives:	Performance	Cost Summary - Increase/(Decrease)			Business Risk Score	
		Capital Cost	O&M Cost	Other Costs		
Status Quo :	The current condition of the HVAC system is very poor. It is 60 years old and our newest equipment was installed in the new addition of the General Office Building in 1978. 75% of our equipment was installed in 1956. Parts are no longer available for our equipment and replacement parts have to be manufactured.	n/a	Varies, but in the hundreds of thousands as equip. breaks down.	\$ 25,000	\$ -	0
Alternative 1: Brief name of alternative (if applicable)	During the Design Phase which occurred in 2008, several different types of HVAC delivery systems were compared and analyzed for distinct characteristics. Initial cost and life cycle cost were evaluated for the Project. By Value engineering our choices we were able to settle on our current system. Analysis is attached.	Updated municipal codes required us to increase air flow in the	\$ -	\$ -	\$ -	0
Alternative 2: Brief name of alternative (if applicable)	The only option that was discussed was to do "nothing", and maintain our 60 year old equipment. This scenario had been in place for the last 20 years, and time finally expired on the equipment. It is simply impractical to try to keep antiquated equipment up and running 24 hours a day when the replacement parts are no longer available.	describe any incremental changes in operations	Varies, but in the hundreds of thousands as equip. breaks down.	\$ 25,000	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in	\$ -	\$ -	\$ -	0

Timeline

Construction Cash Flows (CWIP)



	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 18,121,485	\$ -	\$ -	\$ 18,121,485
2012	\$ 4,300,000	\$ -	\$ -	\$ 4,300,000
2013	\$ 6,500,000	\$ -	\$ -	\$ 7,383,000
2014	\$ 10,000,000	\$ -	\$ -	\$ 7,000,000
2015	\$ -	\$ -	\$ -	\$ 3,000,000
2016	\$ -	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -	\$ -
Future	\$ -	\$ -	\$ -	\$ -
Total	\$ 38,921,485	\$ -	\$ -	\$ 39,804,485

Milestones (high level targets)

October-07	5th Fir Start Const.	Jun-11	2nd Fir Start Const.
December-08	5th Fir In Service	Oct-12	2nd Fir In Service
March-09	4th Fir Start Const.	Jan-13	1st Fir/Bsmt Start Const.
February-10	4th Fir In Service	Mar-14	1st Fir/Bsmt In Service
May-10	3rd Fir Start Const.	Apr-14	70's Addition Start Const.
Mar-11	3rd Fir In Service	Jun-15	70's Addition In Service

Associated Ers (list all applicable):	Current ER	7101	7001	7003	7050		
Mandate Excerpt (if applicable):	ASHRAE- When upgrading HVAC Systems, all design has to conform to ASHRAE standards, and air flows are regulated by the Washington Administrative code (WACS).						

Additional Justifications:



Capital Investment Business Case



Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

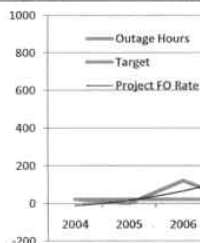
Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure: Fill in the name of the KPI here
 Fill in the name of the KPI here



This graph is to provide a place to direct the KPI benefit. Providing a graph is recommended to help communicate what the project is intended to

Prepared signature: [Signature]
 Reviewed signature: [Signature] Director/Manager
 Other Party Review signature (if necessary): [Signature] Director/Manager

OVERVIEW

Avista Corp. needs to renovate the HVAC system that serves the five-story general office building on their Spokane corporate campus. The need to renovate the system is due to the age of the current mechanical system which is approaching 20 years in the original portion of the office building and in excess of 30 years in the office building addition. While Avista has maintained the system exceptionally over the years, satisfying the inspection and performance, the current system is prone to failure, does not provide great flexibility, requires more energy than today's more efficient systems, and spare parts are difficult to locate.

As a result, Avista Corp. hired McKinstry to provide a design/build approach to the HVAC renovation. The first step in the process entailed determining the most appropriate HVAC system for the project. This was completed by generating various options for consideration, then developing information for each system that would allow McKinstry to recommend a solution to Avista, with Avista ultimately approving the recommended solution. In order to generate a list of potential HVAC system options, McKinstry completed on-site building reviews, met with facility personnel, and reviewed the building mechanical drawings. Based on these tasks, McKinstry developed the following options for review:

RENOVATION OPTIONS

- Existing System:** The existing system utilizes a single unitary air handling unit on each floor that serves a dual duct VAV system for the original office building portion. A multi-zone air handling unit located in a roof-top penthouse serves all the floors of the new addition. The new addition also utilizes dual duct technology. Chilled water and heating water are provided to all air handling units via the central plant located in the Service Building. The dual duct distribution system throughout the building is a high velocity system with cast-iron main return and separate return energy in ducts in the air.
- Renovation Option #1:** This option replaces the existing air handling equipment with similar equipment in both size and function. The replacement of the dual duct distribution system, VAV boxes, controls, and other miscellaneous work are provided under this option.
- Renovation Option #2:** This option replaces the existing air handling equipment with a new heating unit and new cooling unit per floor (original building) and new heating unit and new cooling unit to serve the office addition. This option was developed as a way to increase energy performance over option #1. The replacement of the dual duct distribution system, VAV boxes, controls, and other miscellaneous work are provided under this option.
- Renovation Option #3a:** This option is the same as Option #2, however, it utilizes a lower discharge air temperature at the air handling units on each floor. By using a lower discharge air temperature, it is possible for the new air handling units on each floor to also serve the respective portion of the office addition for that floor. This eliminates the need for a partitioned mechanical system that serves the office addition. The replacement of the dual duct distribution system, VAV boxes, controls, and other miscellaneous work are provided under this option.
- Renovation Option #3:** This option provides alternating heating and cooling air handling units per floor in the original office building and new air handling units in the penthouse that serves the office addition. The replacement of the dual duct distribution system, VAV boxes, controls, and other miscellaneous work are provided under this option.

- Renovation Option #4:** This option provides new cooling-only air handling units on each floor of the office building and in the penthouse. Heating is provided through hot water coils located at VAV boxes. The replacement of the dual duct distribution system, VAV boxes, controls, and other miscellaneous work are provided under this option.
- Renovation Option #4a:** This option is the same as Option #4, however, it utilizes a lower discharge air temperature at the air handling units on each floor. By using a lower discharge air temperature, it is possible for the new air handling units on each floor to also serve the respective portion of the office addition for that floor. This eliminates the need for a partitioned mechanical system that serves the office addition. Heating is provided through hot water coils located at VAV boxes. The replacement of the dual duct distribution system, VAV boxes, controls, and other miscellaneous work are provided under this option.
- Renovation Option #5:** This option provides new roof-mounted air handling units to serve all portions of the office space. New shafts provide conditioned air to the office space. Heating is provided through hot water coils located at VAV boxes. The replacement of the dual duct distribution system, VAV boxes, controls, and other miscellaneous work are provided under this option.
- Renovation Option #6:** This option provides new roof-mounted cooling-only air handling units to serve all portions of the office space. New shafts provide conditioned air to the office space. Heating is provided through hot water coils located at VAV boxes. The replacement of the dual duct distribution system, VAV boxes, controls, and other miscellaneous work are provided under this option.
- Renovation Option #7:** This option replaces the existing system with a new unitary floor HVAC distribution system. The option includes new air handling units located on the floor, dual duct distribution, VAV boxes, controls, and the raised floor system itself, along with any of the other building upgrades needed to accommodate the raised floor system.
- Renovation Option #8:** This option replaces the existing system with a ground source heat pump system throughout the building.

EVALUATION

In order to evaluate each option, McKinstry created a mechanical system selection matrix that included key information needed to select the proper system. The matrix is included as Attachment A - Mechanical System Option Evaluation. The primary factors that were evaluated on a quantitative basis included first costs and operational costs. Additional factors were also reviewed on a qualitative basis.

In order to develop the first cost budget, McKinstry created preliminary mechanical schematics that provided equipment information and layout, as well as duct distribution on floors. McKinstry's estimating group then developed mechanical first costs based on the available information. Mechanical first costs make up the majority of the overall first cost, however, there were other miscellaneous costs to consider for each option including electrical work and other miscellaneous work. For these items, McKinstry relied on consultants and past experience to develop the budgets.

In order to develop operational costs, McKinstry developed an energy model for each system to predict energy use and cost. The energy model simulates the energy use of the HVAC system over the course of an entire year. It is a custom model built around the existing building conditions, the weather data specific to Spokane, and the type of HVAC system modeled. Also, McKinstry's service group evaluated the specific of each option and provided annual service costs (preventive maintenance). Preventive maintenance costs were based on the preliminary equipment list generated for each option. Together, the energy costs and service costs were combined to reach the overall operational cost for each option.

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	Date	Template
	2012-2016	

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: General

Business Case Name: Microwave Refresh

ER No: ER Name:

5121 Microwave Replacement with Fiber

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$8,007¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	3,171									1,642	29		1,500
2014	1,625					186		551	73		300		514
2015	1,073									220			853
2016	4,034												4,034

Business Case Description:

The purpose of this project is to refresh the aging microwave technology with current technology to provide for high-speed data communications. These communication systems support relay and protection schemes of the electrical transmission system.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Investment Business Case

Investment Name:	Microwave Refresh						
Requested Amount	\$	19,267,507	Assessments:				
Duration/Timeframe	7 Year Project		Financial:	MH - >= 9% & <12% CIRR			
Dept., Area:	Enterprise Technology		Strategic:	Reliability & Capacity			
Owner:	Jacob Reidt/Jim Corder		Operational:	Operations require execution to perform at current levels			
Sponsor:	Jim Kensok		Business Risk:	ERM Reduction >5 and <= 10			
Category:	Project		Project/Program Risk:	Moderate certainty around cost, schedule and resources			
Mandate/Reg. Reference:	n/a		Assessment Score:	81			
Recommend Project Description:			Cost Summary - Increase/(Decrease)				
The purpose of this project is to refresh the aging microwave technology with current technology to provide for the high speed data communications. These communication systems support relay and protection schemes of the electrical transmission system.			Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
			The current system are out of date and in need of replacement	\$ -	\$ -	\$ -	0
			Cost Summary - Increase/(Decrease)				
Alternatives:			Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
<i>Status Quo :</i>				\$ -	\$ -	\$ -	0
<i>Alternative 1: Brief name of alternative (if applicable)</i>				\$ -	\$ -	\$ -	0
<i>Alternative 2: Brief name of alternative (if applicable)</i>				\$ -	\$ -	\$ -	0
<i>Alternative 3 Name : Brief name of alternative (if applicable)</i>				\$ -	\$ -	\$ -	0

Timeline

Construction Cash Flows (CWIP)

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 2,910,116	\$ -	\$ -	\$ 2,910,116
2012	\$ 1,559,877	\$ -	\$ -	\$ 1,200,000
2013	\$ 1,500,000	\$ -	\$ -	\$ 1,500,000
2014	\$ 1,657,391	\$ -	\$ -	\$ 1,407,391
2015	\$ 1,050,000	\$ -	\$ -	\$ 1,050,000
2016	\$ 4,050,000	\$ -	\$ -	\$ 4,050,000
2017	\$ 4,100,000	\$ -	\$ -	\$ 3,050,000
2018	\$ 4,100,000	\$ -	\$ -	\$ 4,100,000
Future	\$ 1,050,000	\$ -	\$ -	\$ -
Total	\$ 21,977,384	\$ -	\$ -	\$ 19,267,507

December-14 Ben-M230 2014
 December-14 Remaining MW

Milestones (high level targets)			
December-11	NLW-SHN Prior	December-12	M15-NLW 2012
December-12	NLW-SHN 2012	December-13	M15-NLW 2013
December-13	NLW-SHN 2013	December-12	Fiber to Low Off 2012
December-11	M23-SPU Prior	December-13	Fiber to Low Off 2013
December-12	M23-SPU 2012	December-14	Fiber to Low Off 2014
December-13	M23-SPU 2013	December-16	Ben-MPK-BLD Ring
		December-16	CLW Sub 2016
		December-14	Ben-M23 2014
		December-15	Ben-M23 2015
		December-16	Ben-M23 2016
		December-17	Remaining MW
		December-18	Remaining MW

Associated Ers (list all applicable):	5119						
Mandate Excerpt (if applicable):	na						

Additional Justifications:

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required
Contract Labor:	<input type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required



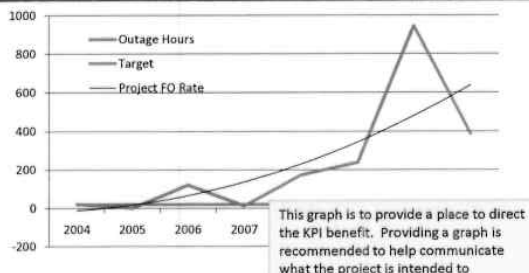
Capital Investment Business Case

YES - attach form NO or Not Required

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure: Fill in the name of the KPI here
Fill in the name of the KPI here



Prepared signature *Stanley Smith*

Reviewed signature *S. Bluh*
 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the project

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: General

Business Case Name: Mechanical Shop 3 Ton Crane

ER No: ER Name:

4165 Mechanical Shop 3 Ton Crane

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$0¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014	154										154		
2015													
2016													

Business Case Description:

Replace 480v exposed buss shop crane with freestanding 3 ton unit. Present crane is an electrocution hazard, and cannot handle many jobs due to its limited size. Limitations force us to outsource work that could be done at little or no incremental cost by our own employees. The crane is also outmoded, with limited parts availability.

Offsets:

An estimated O&M offset of \$20,000 (\$13,000 WA) is gained by eliminating the need to outsource work to external contractors. These offsets are estimated to occur in 2014 and have been included in the O&M Offsets adjustment as shown in Company witness Mrs. Andrews' workpapers.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Project Business Case



Investment Name:	Mech Shop 3 Ton Crane	Assessments:	
Requested Amount	\$154,000	Financial:	6.58%
Duration/Timeframe	1 Year Project	Strategic:	Reliability & Capacity
Dept., Area:	GPSS	Business Risk:	Business Risk Reduction >5 and <= 10
Owner:	Andy Vickers	Project Risk:	High certainty around cost, schedule and resources
Sponsor:	Jason Thackston		
Category:	Project		
Mandate/Reg. Reference:	n/a	Assessment Score:	84

Recommend Project Description: Replace 480v exposed buss shop crane with freestanding 3 ton unit. Present crane is an electrocution hazard, and cannot handle many jobs due to its size. Limitations force us to outsource work that could be done at little or no incremental cost by our own employees. The crane is also outmoded, with limited parts availability.	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
	describe any incremental changes that this Project would benefit present operations	\$ 154,000	\$ (20,000)	\$ -	0

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	480v exposed buss crane in use now. Potential for external contact.	n/a	\$ -	\$ 20,000	\$ -	6
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations			\$ -	0
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2013	\$ 154,000	\$ (20,000)	\$ -	\$ -
2014	\$ -	\$ (20,000)	\$ -	\$ -
2015	\$ -	\$ (20,000)	\$ -	\$ -
2016	\$ -	\$ (20,000)	\$ -	\$ -
2017+	\$ -	\$ (20,000)	\$ -	\$ -
Total	\$ 154,000	\$ (100,000)	\$ -	\$ -

Associated Ers (list all applicable):			
7006			

ER	2013	2014	2015	2016	2017+	Total	Mandate Excerpt (if applicable):
7006	\$ 154,000	\$ -	\$ -	\$ -	\$ -	\$ 154,000	provide brief citation of the law or regulation and a reference number if possible
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ 154,000	\$ -	\$ -	\$ -	\$ -	\$ 154,000	Additional Justifications: Any supplementary information that may be useful in describing in more detail the nature of the Project, the urgency, etc.

Milestones (high level targets)

January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
February-13	Begin Project	January-00	open	January-00	open
March-13	In Service	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open

Milestones should be general. Use your judgement on project progress so that progress can

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Capital Tools:	<input type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Fleet:	<input type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required

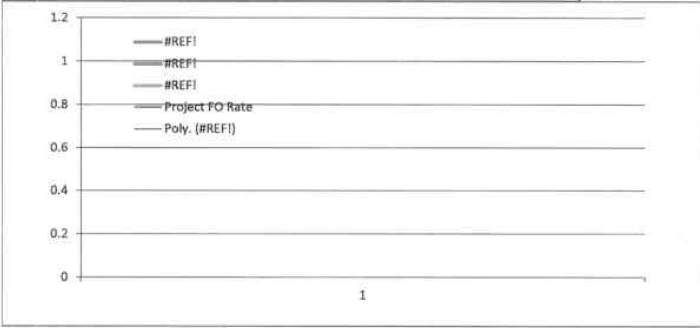


Capital Project Business Case

Key Performance Indicator(s)
 Expected Performance Improvements

KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here

Click Here To Submit **NEW** Requests only
 (If updating **revisions** to a previous business case go to "Review Template" tab)



Prepared signature

Reviewed signature
 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Project

To be completed by Capital Planning Group	
Rationale for decision	Review Cycles 2012-2016
	Date
	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: General

Business Case Name: Transmission Outage Management

ER No: ER Name:

5148 Transmission Outage Management

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$300¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014	300							300					
2015													
2016													

Business Case Description:

System Operations proposes installation of a Transmission Outage Management system that would provide additional transmission outage management functionality, streamline current transmission outage management processes, and eliminate the current homegrown logging application. Implementing this system would automate many processes that are performed in a manual fashion and would bring Avista's capabilities up to industry standards. Maintenance of the logging portion of the application would change from programming the application (current) to configuring the application. Mining of data for calculating compliance reports and reliability indicators would be reduced with normalized data and automated processes.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Project Business Case

Investment Name:	Transmission Outage Mgt	Assessments:	
Requested Amount	\$300,000	Financial:	7.00%
Duration/Timeframe	1 Year Project	Strategic:	Reliability & Capacity
Dept., Area:	System Operations	Business Risk:	Business Risk Reduction >5 and <= 10
Owner:	Heather Rosentrater	Project Risk:	Moderate certainty around cost, schedule and resources
Sponsor:	Don Kopczynski	Assessment Score:	70
Category:	Project	Annual Cost Summary - Increase/(Decrease)	
Mandate/Reg. Reference:	n/a	Capital Cost	O&M Cost

Recommend Project Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
System Operations proposes installation of a Transmission Outage Management system that would provide additional transmission outage management functionality, streamline current transmission outage management processes, and eliminate the current homegrown logging application. Implementing this system would automate many processes that are performed in a manual fashion and would bring Avista's capabilities up to industry standards. Maintenance of the logging portion of the application would change from programming the application (current) to configuring the application. Mining of data for calculating compliance reports and reliability indicators would be reduced with normalized data and automated processes.	Consistency in logging and the dissemination of the information.	\$ 300,000	\$ 30,000	\$ -	12

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	n/a	\$ 300,000	\$ 30,000	\$ -	20
Alternative 1: Sagali	•Dispatch logging •Switching Order logging •Standard naming conventions •Auditing of outages, logs, and Switching Orders		\$ -	\$ -	12
Alternative 2: Equinox	Outage Scheduling Planned Outage Coordination Control Room Operator Logging, Reporting, and Notification Reliability Analysis	\$ -	\$ -	\$ -	0
Alternative 3 Name: SunNet Consulting	Transmission Outage Application integrates Outage Scheduling on the Transmission, Distribution & Generation Systems and System Operations Logging and Reporting Requirements	\$ -	\$ -	\$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2013	\$ -	\$ -	\$ -	\$ -
2014	\$ 300,000	\$ 30,000	\$ -	\$ 300,000
2015	\$ -	\$ -	\$ -	\$ -
2016	\$ -	\$ -	\$ -	\$ -
2017+	\$ -	\$ -	\$ -	\$ -
Total	\$ 300,000	\$ 30,000	\$ -	\$ 300,000

Associated Ers (list all applicable):			

ER	2013	2014	2015	2016	2017+	Total	Mandate Excerpt (if applicable):
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	provide brief citation of the law or regulation and a reference number if possible
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
							Additional Justifications:
							Any supplementary information that may be useful in describing in more detail the nature of the Project, the urgency, etc.



Capital Project Business Case

0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Milestones (high level targets)

January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open

Milestones should be general. Use your judgement on project progress so that progress can

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required

Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

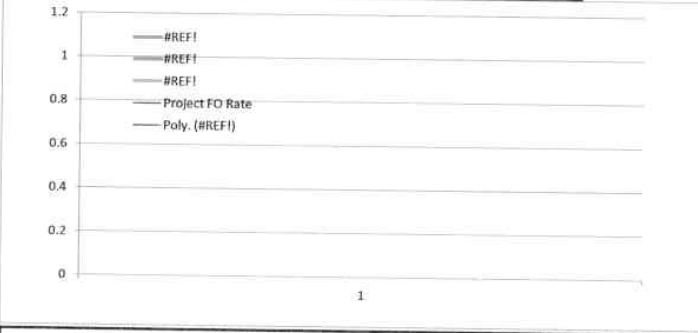


Capital Project Business Case

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here



Prepared signature Greg C. Park

Reviewed signature [Signature]
 Director/Manager

Other Party Review signature
 (if necessary) _____
 Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Project

- <http://sagali.com/compass.html> Sagali
- <http://www.sncsw.com/index.html> SunNet
- <http://www.equinox.ca/equinox/about/Defau> Equinox Equinox

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: General

Business Case Name: New Deer Park Service Center

ER No: 7135
ER Name: Deer Park Service Center

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$2,500¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014													
2015	2,500												
2016													2,500

Business Case Description:

Replace existing Deer Park Service Center. Current building is over 40 years old, and existing storage yard is becoming too small for ever-growing inventory. Environmental concerns with existing site located near railroad tracks, and close proximity to city water well. Presently cleaning up existing soil contamination, and prolonged remaining at site could lead to environmental spills in the future. The existing building is tight for current line truck sizes, warehouse is undersized, and has code compliance and security issues. Deer Park is one of our lower-performing service centers on the Facilities Building Survey Report.

Offsets:

No O&M offsets are presented on the attached copy of the Business Case, however after further discussion it was determined that \$16,000 of annual savings would occur after the in-service date of September 2015. This amount has been prorated to include only 3 of those months. Savings are from facilities energy and maintenance savings including employee efficiencies due to larger facilities and more spacious storage yard. The total O&M offset is calculated as \$16,000 x (3/12) = \$4,000. Washington’s portion of this is \$3,169 Electric and \$831 Gas. This has been included in the O&M Offsets adjustment as shown in Company witness Mrs. Andrews’ workpapers.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Project Business Case

Investment Name:	New Deer Park Svc Ctr	Assessments:	
Requested Amount	\$2,500,000	Financial:	
Duration/Timeframe	1 year 2015	Strategic:	Customer Cost Management
Dept., Area:	Facilities	Business Risk:	Business Risk Reduction >0 and <= 5
Owner:	Mike Broemling	Project Risk:	High certainty around cost, schedule and resources
Sponsor:	Don Kopyczynski	Assessment Score:	54
Category:	Project	Annual Cost Summary - Increase/(Decrease)	
Mandate/Reg. Reference:	n/a	Performance	Capital Cost
Recommend Project Description:		O&M Cost	Other Costs
Replace existing Deer Park Service Center. Current building is over 40 years old, and existing storage yard is becoming too small for ever-growing inventory. Environmental concerns with existing site located near railroad tracks, and close proximity to city water well. Presently cleaning up existing soil contamination, and prolonged remaining at site could lead to environmental spills in the future. The existing building is tight for current line truck sizes, warehouse is undersized, and has code compliance and security issues. Deer Park is one of our lower-performing service centers on the Facilities Building Survey Report.		Business Risk Score	

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	Deer Park is one of our lowest scoring service centers. Continual O&M and capital funding will need to be poured into the building to maintain its usability. Storage yard will eventually become too small for material. Line trucks will remain a tight fit, and in some cases, remain exposed to weather.	n/a	\$ 50,000	\$ 25,000	\$ -	8
Alternative 1: Brief name of alternative (if applicable)	None. Purchasing additional properties and expanding the service center is not an option. Auto junkyard and RR tracks to the west, unknown as to soil contamination and environmental issues. Public streets to north and east. Lot to south small, and city water well supply nearby (contamination?).	describe any incremental changes in operations	\$ -	\$ -	\$ -	4
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2013	\$ -	\$ -	\$ -	\$ -
2014	\$ -	\$ -	\$ -	\$ -
2015	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000
2016	\$ -	\$ -	\$ -	\$ -
2017+	\$ -	\$ -	\$ -	\$ -
Total	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000

Associated Ers (list all applicable):			
7001			

ER	2013	2014	2015	2016	2017+	Total	Mandate Excerpt (if applicable):
7001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ -	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000	

Milestones (high level targets)

March-15 Start Construction
 November-15 Plant in service

Resources Requirements: (request forms and approvals attached)

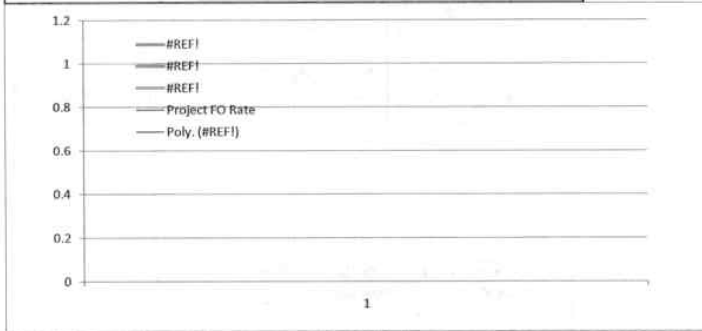
Internal Labor Availability: Low Probability Medium Probability High Probability Enterprise Tech: YES - attach form NO or Not Required Capital Tools: YES - attach form NO or Not Required
 Contract Labor: YES NO Facilities: YES - attach form NO or Not Required Fleet: YES - attach form NO or Not Required

Capital Project Business Case



Key Performance Indicator(s)
 Expected Performance Improvements

KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here



Prepared signature Vance Ruppert

Reviewed signature Eric Bowles
 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Project

To be completed by Capital Planning Group		Review Cycles	
Rationale for decision	2012-2016		
	Date	Template	

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: General

Business Case Name: Central Office Facility – Mission Campus (“COF”) Long-term Restriction Phase 2

ER No: ER Name:

7131 COF Long Term Restructuring Plan Phase 2

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$8,500¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014													
2015	2,000												2,000
2016	6,500												6,500

Business Case Description:

COF Long Term Restructuring Plan, Phase 2. This project involves the construction of a new Fleet Vehicle Garage and 4-story parking structure. By the end of 2015, Facilities projects will add approx. 183 new cubicles. Our parking lots will be beyond max capacity. The Fleet Garage is over 50 yrs old and is constrained. New garage will allow for maintenance of Compressed Natural Gas vehicles as the current bldg does not allow for this. Once Fleet is relocated there will be a distinct separation between operational/service vehicles and employee vehicle. This separation will increase safety by eliminating intermingling of pedestrians in work areas. Office building & parking garage is projected to allow Call Center and any leased facilities to come back to Mission campus. Ross Park conversion to office will secure any future employee expansion that will occur.

Offsets:

There are no offsets presented on the attached Business Case. However after further discussion, it was determined that O&M savings of \$33,000 will occur in July 2015. These O&M savings are the result of eliminating the need of leased facilities used for personnel that will be relocated to the Mission Campus. In addition, we would not need to rent or purchase addition space for parking. These annual savings have been prorated to include savings after the in-service date. The resulting offset is calculated as $\$33,000 \times (5/12) = \$13,860$. Washington’s apportionment of this amount is \$10,980 Electric and \$2,880 Gas. This has been included in the O&M Offsets adjustment as shown in Company witness Mrs. Andrews’ workpapers.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Project Business Case



Investment Name:	COF LngTrm Restruct Ph2	Assessments:	
Requested Amount	\$47,500,000	Financial:	7.00%
Duration/Timeframe	5 Year Project	Strategic:	Other
Dept., Area:	Facilities	Business Risk:	Business Risk Reduction >10 and <= 15
Owner:	Mike Broemling and Eric Bowles	Project Risk:	High certainty around cost, schedule and resources
Sponsor:	Don Kopczynski		
Category:	Project		
Mandate/Reg. Reference:	n/a	Assessment Score:	86

Recommend Project Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
COF Long Term Restructuring Plan, Phase 2. Construct new Fleet Vehicle Garage and 4-story parking structure. By end of 2015 Facilities projects will add approx. 183 new cubicles. Our parking lots will be beyond max capacity. The Fleet Garage is over 50 yrs old and is constrained by its dims from our ever enlarging vehicles and line trucks. New garage will allow for maintenance of CNG vehicles, current bldg does not allow this. Once Fleet is moved, a distinct separation b/n Operations / Service vehicles and Administrative Employees and vehicles. Separation will increase safety by eliminating intermingling of pedestrians in work areas. Office building & parking garage is projected to allow Call Center and any leased facilities to come back to Mission campus. Ross Park conversion to office will secure any future employee expansion that will occur.	State of the art fleet building. Service vehicles contained to north campus. Employee vehicles near main GOB.	\$ 47,500,000	\$ -	\$ -	2

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	Employee parking shall overflow into Logan neighborhood. City of Spokane will probably enforce parking regulations if this occurs. Added 5-to-10 minutes walk time from employee cars to desks. All CNG vehicles will have to be maintained at Dollar Road Fleet Bldg, with its extra 15 minute travel time. Continued rental or purchased facilities off site of COF for Avista departments (i.e. call center).	\$ -	\$ -	\$ -	15
Alternative 1: Brief name of alternative (if applicable)	Build extra parking lot on Ross Court ONLY. Approx. 220 add'l spaces req'd. to offset new employee load. Inconvenient and increased walk times for employees.	\$ 2,000,000	\$ 20,000	\$ -	2
Alternative 2: Brief name of alternative (if applicable)	Build new fleet building off-site. Purchase new lot for construction. Travel times and inefficiencies greatly increased.	\$ 7,000,000	\$ 20,000	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved	Associated Ers (list all applicable):
Previous	\$ -	\$ -	\$ -	\$ -	7126
2013	\$ -	\$ -	\$ -	\$ -	
2014	\$ -	\$ -	\$ -	\$ -	
2015	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	
2016	\$ 6,500,000	\$ -	\$ -	\$ 6,500,000	
2017	\$ 16,000,000	\$ -	\$ -	\$ 16,000,000	see note under add'l justification
2018	\$ 19,000,000	\$ -	\$ -	\$ 19,000,000	
2019	\$ 4,000,000	\$ -	\$ -	\$ -	
Total	\$ 47,500,000	\$ -	\$ -	\$ 43,500,000	

ER	2013	2014	2015	2016	2017	Total	Mandate Excerpt (if applicable):
7126	\$ -	\$ -	\$ 2,000,000	\$ 6,500,000	\$ 39,000,000	\$ 47,500,000	provide brief citation of the law or regulation and a reference number if possible
0	\$ -	\$ -	\$ -	\$ -	SEE NOTE	\$ -	
0	\$ -	\$ -	\$ -	\$ -	UNDER ADD'L	\$ -	
0	\$ -	\$ -	\$ -	\$ -	JUSTIFICATIONS	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ -	\$ 2,000,000	\$ 6,500,000	\$ 39,000,000	\$ 47,500,000	Additional Justifications: PLEASE NOTE: Request \$2M in 2015 (Ross Court parking), \$6.5M in 2016 (Fleet Bldg), \$16M in 2017 and \$15M in 2018 (parking garage and office building), \$4M in 2018 and \$4M in 2019 (Ross Park Building covert to office).

Milestones (high level targets)		
April-16	Ross Court parking start construction	Aug-18 Ross Park convert to office start construction
September-16	Ross Court parking in service	May-19 Ross Park convert to office in service
January-16	Fleet Bldg Start Construction	
December-16	fleet bldg in service	
April-17	Park garage & office start const.	
May-18	Park garage & office in service	

Milestones should be general. Use your judgement on project progress so that progress can be measured.

Resources Requirements: (request forms and approvals attached)

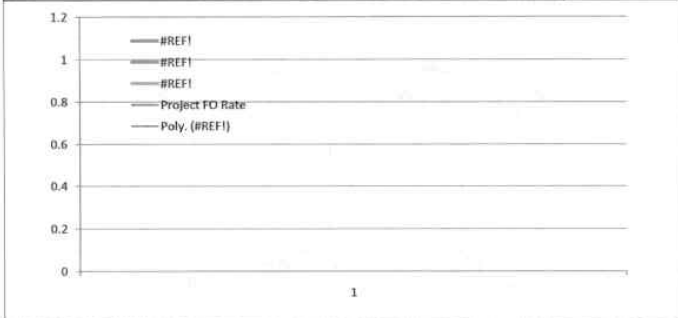
Internal Labor Availability:	<input checked="" type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input type="checkbox"/> High Probability	Enterprise Tech:	<input checked="" type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required	Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input checked="" type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required	Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required



Capital Project Business Case

Key Performance Indicator(s)
 Expected Performance Improvements

KPI Measure: Fill in the name of the KPI here
Fill in the name of the KPI here



Prepared Vance Ruppert

Reviewed Eric Bowles
 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager

PLEASE SEE DRAWINGS ATTACHED TO SHAREPOINT SITE FOR MORE INFO

To be completed by Capital Planning Group	
Rationale for decision	Review Cycles 2012-2016
	Date
	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Natural Gas Distribution

Business Case Name: Aldyl A Replacement

ER No: 3008
ER Name: Aldyl -A Pipe Replacement

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$63,156¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	8,463							1,778	1,915	1,573	729	1,392	1,076
2014	16,452	945	891	1,028	1,171	1,464	1,453	1,301	1,676	1,586	1,603	1,180	2,153
2015	16,817	965	910	1,051	1,197	1,497	1,486	1,330	1,713	1,622	1,639	1,205	2,203
2016	17,885	1,018	963	1,115	1,271	1,593	1,582	1,416	1,819	1,729	1,746	1,280	2,352

Business Case Description:

This program covers the replacement of 730 miles of pre-1987 Aldyl A mains and the remediation of 16,000 bending stress sites on services tapped from steel main. Due to the tendency for this material to suffer brittle-like cracking leak failures, Aldyl A will eventually reach a level of unreliability that is not acceptable. Please also see Company witness Labolle for further details regarding this program.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Aldyl A Replacement_mains and bending stress	Assessments:	
Requested Amount	\$17,600,000	Financial:	Medium ->= 5% & <9% CIRR
Duration/Timeframe	20 Year Program	Strategic:	Life Cycle Programs
Dept., Area:	Gas Delivery	Operational:	Operations require execution to perform at current levels
Owner:	Mike Faulkenberry	Business Risk:	ERM Reduction >5 and <= 10
Sponsor:	Don Kopczynski	Program Risk:	High certainty around cost, schedule and resources
Category:	Program	Assessment Score:	89
Mandate/Reg. Reference:	n/a	Annual Cost Summary - Increase/(Decrease)	

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program covers the replacement of 730 miles of pre-1987 Aldyl A mains and the remediation of 16,000 bending stress sites on services tapped from steel main. Due to the tendency for this material to suffer brittle-like cracking leak failures, Aldyl A will eventually reach a level of unreliability that is not acceptable. There is a potential harm to the public through damage to life and property and there is a high likelihood of increasing regulatory scrutiny from increasing failures.	As Aldyl A is removed, O&M expense associated with repairing the increasing leaks will be eliminated in proportion	\$ 10,250,000	\$ -	\$ -	5
Annual Cost Summary - Increase/(Decrease)					

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score	
Unfunded Program:	If unfunded, the increasing failures of mains and services is modeled to result in more than 13 catastrophic events in Washington alone. Extended to Idaho and Oregon, the cost of the effects (at a 10% escalation) and increasing expenses for O&M leak repair could total more than \$60MM over a 20 year period, an average of \$3MM annually.	n/a		\$ 3,000,000	15	
Alternative 1: Brief name of alternative (if applicable)	20 year replacement program: Replace 37 miles of main and remediate 800 service taps each year, prioritized by DIMP risk modeling. Modeling suggests that if pipe is removed on a first in-first out basis up to 3 catastrophic events could occur over 20 years, however, using a DIMP based approach to remove highest risk facilities first without regard to age only it may be possible to avoid any incidents.	As Aldyl A is removed, O&M expense associated with repairing the increasing leaks will be eliminated in proportion	\$ 17,552,196	\$ (60,000)	\$ -	5
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows	Associated Ers (list all applicable):			
5 years of costs	Current ER			
	Capital Cost	O&M Cost	Other Costs	Approved
2012	\$ 5,000,000	\$ -	\$ -	\$ 5,000,000
2013	\$ 10,250,000	\$ -	\$ -	\$ 12,000,000
2014	\$ 17,552,196	\$ -	\$ -	\$ 16,452,196
2015	\$ 17,817,429	\$ -	\$ -	\$ 16,817,429
2016	\$ 18,885,272	\$ -	\$ -	\$ 17,885,272
2017				\$ 18,262,977
2018				\$ 18,648,237
Total	\$ 69,504,897	\$ -	\$ -	\$ 105,066,111

2% inflation included in above numbers

Mandate Excerpt (if applicable):
 provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:
 Avista has experienced 2 injury and property damage events due to failing Aldyl A since 2005 and is currently bound by a settlement agreement with the Washing Utility and Transportation Commission. Further events of this nature will most likely result in some sort of mandatory pipe replacement program with a timeline we cannot control. Taking a proactive and priority-justified approach is critical at this time to protect life and property for the public as well as reduce Avista's exposure to the risks of liability and regulatory scrutiny.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: <input checked="" type="checkbox"/> Low Probability <input type="checkbox"/> Medium Probability <input type="checkbox"/> High Probability	Enterprise Tech: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).
Contract Labor: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Facilities: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Capital Tools: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Fleet: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	




Capital Program Business Case


Key Performance Indicator(s)

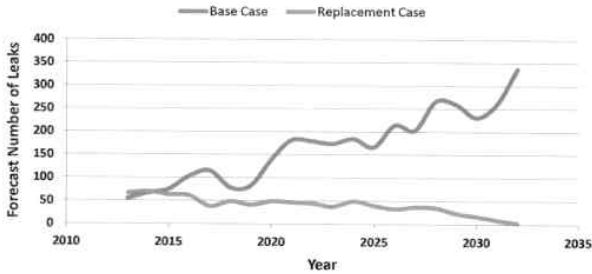
Expected Performance Improvements

KPI Measure:	Prevention of leaks and their consequences
	Fill in the name of the KPI here

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 Director/Manager

Third Party Review signature (if necessary) 
 Director/Manager



Business Case	ERM Risk Reduction	Unfunded Raw Score	Revised Risk Raw Score	Unfunded Project/Program Risk (no funding if a project, cease funding if an existing program)					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
Aldyl A Replacement (mains & bending stress tees)	15	20	5	3 - \$2MM - \$4MM	< Once / year	4 - Potential for regulators to impose onerous restrictions or Board or management to make leadership change	< Once / year		
				Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood
						5 - Potential for multiple loss of lives Wide spread damage on property or business Public health infrastructure impact up to 72 hours	< Once / year	2 - Potential for minimal or minor injury Lost Time Incident and Severity Rate increases year over year	< Once / 5 years
				Revised Risk if funded/completed					
				3 - \$2MM - \$4MM	< Once / 50 years	3 - Could result in a sustained negative impact to local, online, or industrial relationships and / or national / global media coverage	< Once / 50 years		
				Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood
		5 - Potential for multiple loss of lives Wide spread damage on property or business Public health infrastructure impact up to 72 hours	< Once / 50 years	2 - Potential for minimal or minor injury Lost Time Incident and Severity Rate increases year over year	< Once / 50 years				

Budget request for 2014, 2015, and 2016 were revised with updated budget projections based on new models and information.

WA UTC Docket UG-120715 Commission Policy on Accelerated Replacement of Pipeline with Elevated Risk was issued on December 31, 2012. The new policy will include a Cost Recovery Mechanism (CRM) based generally on the mechanism used in Oregon with NWNG.

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Natural Gas Distribution

Business Case Name: Cathodic Protection

ER No: 3004
ER Name: Cathodic Protection-Minor Blanket

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$3,000¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	172							8	4	71	5	39	45
2014	800	48	43	52	58	67	80	77	87	78	72	62	75
2015	800	49	43	52	58	67	80	77	87	78	72	62	75
2016	800	49	43	52	58	67	80	77	87	78	72	62	75

Business Case Description:

This program will replace existing and install new cathodic protection systems to ensure compliance with 49 CFR 192, Subpart I - "Requirements for Corrosion Control" that requires pipelines be protected against external corrosion by means of a cathodic protection system. This program will ensure appropriate cathodic protection levels are maintained, reduce corrosion related failures, help prevent leaks within steel pipeline systems and enhance public safety.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case



Investment Name:	Cathodic Protection_Natural Gas	Assessments:	
Requested Amount	\$800,000	Financial:	High - Exceeds 12% CIRR
Duration/Timeframe	On-Going Year Program	Strategic:	Reliability & Capacity
Dept., Area:	Gas Operations	Operational:	Operations require execution to perform at current levels
Owner:	Mike Faulkenberry	Business Risk:	ERM Reduction >5 and <= 10
Sponsor:	Don Kopczyński	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Mandatory	Assessment Score:	154
Mandate/Reg. Reference:	49 CFR 192, Subpart I - "Requirements for Corrosion Control"		

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
This annual program will replace existing and install new cathodic protection systems to ensure compliance with 49 CFR 192, Subpart I - "Requirements for Corrosion Control" that requires pipelines be protected against external corrosion by means of a cathodic protection system. This program will ensure appropriate cathodic protection levels are maintained, reduce corrosion related failures, help prevent leaks within steel pipeline systems and enhance public safety.	describe any incremental changes that this Program would benefit present operations	\$ 800,000	\$ -	\$ -	3

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
Unfunded Program:			Capital Cost	O&M Cost	Other Costs	
	Avista would be out of compliance in portions of its gas distribution system.	n/a	\$ -	\$ -	\$ -	12
<i>Alternative 1: Brief name of alternative (if applicable)</i>	Install new and replace existing cathodic protection system.	n/a	\$ 800,000	\$ -	\$ -	3
<i>Alternative 2: Brief name of alternative (if applicable)</i>		n/a	\$ -	\$ -	\$ -	0
<i>Alternative 3 Name: Brief name of alternative (if applicable)</i>		describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):				
5 years of costs					Current ER				
	Capital Cost	O&M Cost	Other Costs	Approved	3004				
Previous	\$ -	\$ -	\$ -	\$ -					
2012	\$ 500,000	\$ -	\$ -	\$ 500,000					
2013	\$ 500,000	\$ -	\$ -	\$ 600,000					
2014	\$ 800,000	\$ -	\$ -	\$ 800,000					
2015	\$ 800,000	\$ -	\$ -	\$ 800,000					
2016	\$ 800,000	\$ -	\$ -	\$ 800,000					
2017	\$ 800,000	\$ -	\$ -	\$ 800,000					
2018	\$ 600,000	\$ -	\$ -	\$ 600,000					
Total	\$ 3,400,000	\$ -	\$ -	\$ 3,500,000					

Mandate Excerpt (if applicable):
 49 CFR 192.455(a) "Except as provided in paragraphs (b), (c), and (f) of this section, each buried or submerged pipeline installed after July 31, 1971, must be protected against external corrosion, including the following: (2) It must have a cathodic protection system designed to protect the pipeline in accordance with this subpart, installed and placed in operation within 1 year after completion of construction."

Additional Justifications:
 Any supplementary information that may be useful in describing in more detail the nature of the Program, the urgency, etc.

Resources Requirements: (request forms and approvals attached)


Internal Labor Availability: <input type="checkbox"/> Low Probability <input checked="" type="checkbox"/> Medium Probability <input type="checkbox"/> High Probability	Enterprise Tech: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).
Contract Labor: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Facilities: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Capital Tools: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Fleet: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	



Capital Program Business Case

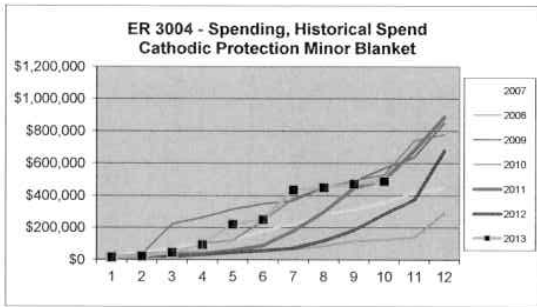
Key Performance Indicator(s)
 Expected Performance Improvements
 KPI Measure:

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Reviewed signature  Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Program



Historical Spending

Business Case	ERM Risk Reduction	Status Quo Raw Score	Risk on Completion Raw Score	Status Quo Risk					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
Catholic Protection - Natural Gas	9	12	3	4 - \$4MM - \$10MM	< Once / 10 years	4 - Potential for regulators to impose onerous restrictions or Board or management to make leadership change	< Once / 10 years	1 - < 1,500 Customer hours	< Once / 10 years
				Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood
						4 - Potential for multiple serious injuries or loss of an individual life Major damage to property or business Public health infrastructure impact up to 72 hours	< Once / 5 years		
				Risk upon Completion					
				1 - < \$200k	< Once / 5 years	1 - No likely impact on media or regulatory relationship.	< Once / 50 years	1 - < 1,500 Customer hours	< Once / 50 years
				Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood
		2 - Potential for minimal or minor injury, Outages and/or equipment damage Public health infrastructure impact up to 24 hours	< Once / 50 years						

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Natural Gas Distribution

Business Case Name: Gas Non-Revenue Program

ER No: ER Name:

3005 Gas Distribution Non-Revenue Blanket

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$25,550¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	4,728							1,049	929	1,271	669	386	425
2014	4,702	621	468	502	631	595	615	682	710	621	721	549	685
2015	8,925	749	585	625	759	719	745	818	846	749	853	674	809
2016	9,108	768	598	635	778	732	758	837	859	762	872	687	822

Business Case Description:

This annual program will replace sections of existing natural gas piping that require replacement to improve the operation of the gas system but are not directly linked to new revenue. The program includes replacement of pipe and facilities that are at the end of their useful life or have failed. It includes improvements in equipment and/or technology to enhance system operation and/or maintenance, replacement of obsolete facilities, replacement of main to improve cathodic performance, and projects to improve public safety and/or improve system reliability. Starting in 2014, costs associated with the labor and minor materials to complete the Planned Meter Change-out ("PMC") program will no longer be captured in this Business Case, they will be on the "Gas PMC Program".

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Gas Non-Revenue Program	Assessments:	
Requested Amount	\$5,600,000	Financial:	Medium - >= 5% & <9% CIRR
Duration/Timeframe	On-Going Year Program	Strategic:	Reliability & Capacity
Dept., Area:	Gas Operations	Operational:	Operations require execution to perform at current levels
Owner:	Mike Faulkenberry	Business Risk:	ERM Reduction >10 and <= 15
Sponsor:	Don Kopczynski	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Program	Assessment Score:	89
Mandate/Reg. Reference:		Annual Cost Summary - Increase/(Decrease)	
Recommend Program Description:	Performance	Capital Cost	O&M Cost
This annual program will replace sections of existing gas piping that require replacement to improve the operation of the gas system but are not directly linked to new revenue. The program includes replacement of pipe and facilities that are at the end of their useful life or have failed. It includes improvements in equipment and/or technology to enhance system operation and/or maintenance, replacement of obsolete facilities, replacement of main to improve cathodic performance, and projects to improve public safety and/or improve system reliability. Starting in 2014, costs associated with the labor and minor materials to complete the PMC program will no longer be captured in this Business Case, they will be on the "Gas PMC Program". This results in a \$1M reduction in the 2014 budget request; however the historical spend has been high in this category, so the resultant 2014 request is \$6,00,000 (total).	describe any incremental changes that this Program would benefit present operations	\$ 5,600,000	\$ -
			Other Costs
			\$ -
			Business Risk Score
			8

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Avista will be unable to complete capital non-revenue system enhancements	n/a	\$ -	\$ -	\$ -	8
Alternative 1: Brief name of alternative (if applicable)	Complete installation and/or upgrade of non-revenue assets.	n/a	\$ 5,600,000	\$ -	\$ -	2
Alternative 2: Brief name of alternative (if applicable)		n/a	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)		describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):			
5 years of costs					Current ER			
	Capital Cost	O&M Cost	Other Costs	Approved	3005			
Previous	\$ -	\$ -	\$ -	\$ -				
2012	\$ 4,223,000	\$ -	\$ -	\$ 3,823,000				
2013	\$ 4,349,690	\$ -	\$ -	\$ 7,949,690				
2014	\$ 5,600,000	\$ -	\$ -	\$ 5,600,000				
2015	\$ 6,000,000	\$ -	\$ -	\$ 6,000,000				
2016	\$ 6,000,000	\$ -	\$ -	\$ 6,000,000				
2017				\$ 6,000,000				
2018				\$ 6,000,000				
Total	\$ 26,172,690	\$ -	\$ -	\$ 29,372,690				

Mandate Excerpt (if applicable):

Additional Justifications:
 The program addresses a number of mandatory projects, at the direction of the commission and/or projects that enhance public safety and system reliability. (Example: Incremental pipe enhancements, replacement of odorization equipment, installation of steel pipe to enhance system cathodic protection, etc.)

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: <input type="checkbox"/> Low Probability <input type="checkbox"/> Medium Probability <input checked="" type="checkbox"/> High Probability	Enterprise Tech: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).
Contract Labor: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Facilities: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Capital Tools: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Fleet: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	



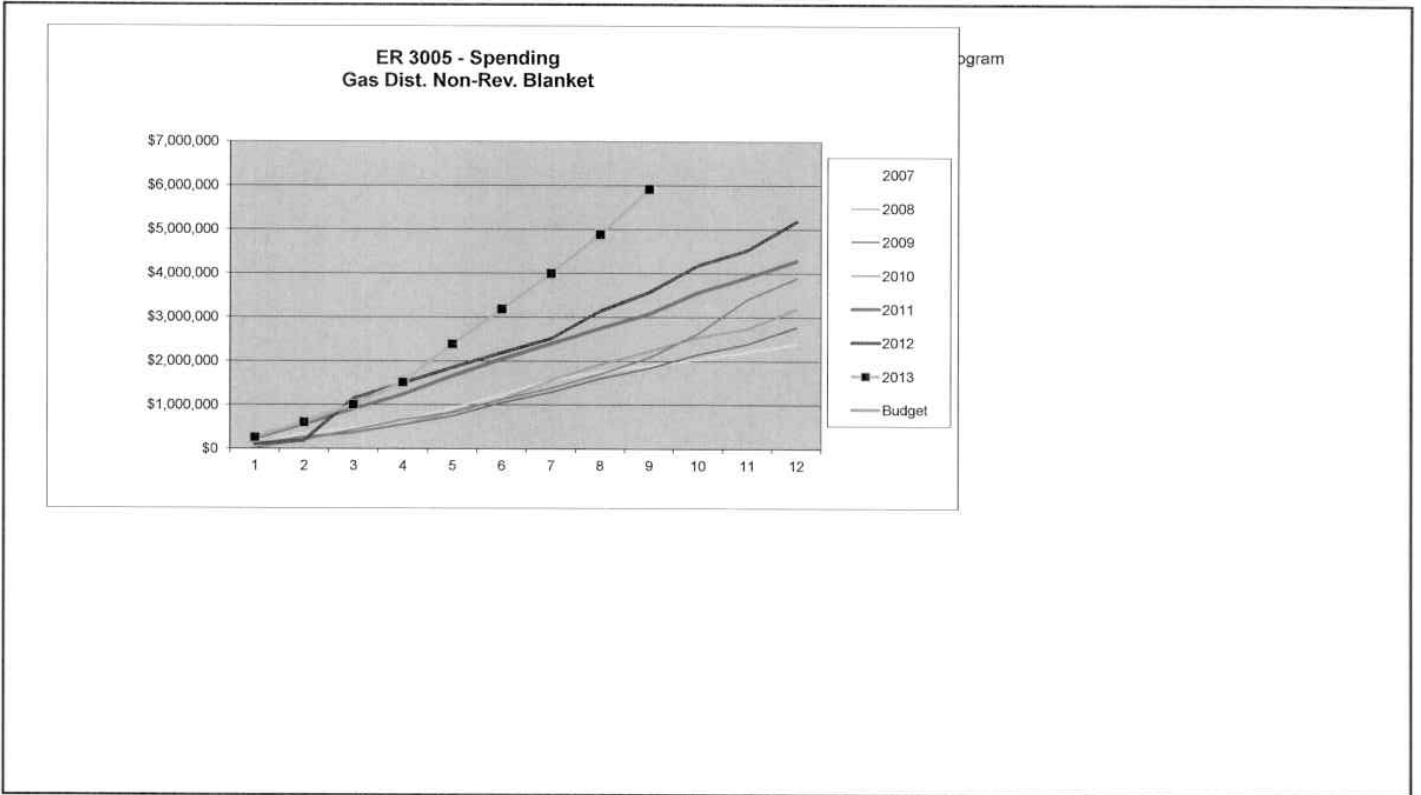
Capital Program Business Case

Key Performance Indicator(s)
 Expected Performance Improvements
 KPI Measure:

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 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager



To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Natural Gas Distribution

Business Case Name: Gas Reinforcement

ER No: ER Name:

3000 Gas Reinforce-Minor Blanket

3268 Reinforcement Appleway Bridge Crossing, Liberty Lake, WA

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$3,950¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	394							14			325	29	26
2014	1,000	66	56	68	73	81	103	101	112	95	86	81	77
2015	1,000	66	57	68	73	81	103	101	112	95	86	81	77
2016	1,000	66	57	68	73	81	103	101	112	95	86	81	77

Business Case Description:

This annual program will provide for necessary reinforcements and reliability looping of the existing gas distribution system in WA, ID, and OR. Avista has an obligation to provide reliable service that is of adequate pressure and capacity. Periodic reinforcement of the system is required to reliably serve due to increased demand at existing service locations and new customers. Execution of this program on an annual basis will ensure the continuation of reliable gas service that is of adequate pressure and capacity.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case



Investment Name:	Gas Reinforcement	Assessments:	
Requested Amount	\$1,000,000	Financial:	MH - >= 9% & <12% CIRR
Duration/Timeframe	On-Going 2012+	Strategic:	Reliability & Capacity
Dept., Area:	Gas Operations	Operational:	Operations not impacted by execution
Owner:	Mike Faulkenberry	Business Risk:	ERM Reduction >10 and <= 15
Sponsor:	Don Kopczynski	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Mandatory	Assessment Score:	143
Mandate/Reg. Reference:	WAC 480-90-148(2)(d), IDAPA 31.31.01.151, OR		

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This annual program will provide for necessary reinforcements and reliability looping of the existing gas distribution system in WA, ID, and OR. Avista has an obligation to provide reliable service that is of adequate pressure and capacity. Periodic reinforcement of the system is required to reliably serve due to increased demand at existing service locations and new customers. Execution of this program on an annual basis will ensure the continuation of reliable gas service that is of adequate pressure and capacity. The 2013 budget was cut and needs to be increased for 2014+ (to \$1,000,000) to ensure adequate capacity that will meet a design day load. Specific ER's may be added to this Business Case as they are defined as Reinforcement Projects.	describe any incremental changes that this Program would benefit present operations	\$ 1,050,000	\$ -	\$ -	4

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
			Capital Cost	O&M Cost	Other Costs	
Status Quo:	Gas distribution reinforcements are identified on an on-going basis and need to be completed when identified to ensure continuation of reliable service.	n/a		\$ -	\$ -	16
Alternative 1: Pipe Installation	Capital Pipe Installations - Install additional pipe to reinforce and loop existing gas distribution system to increase system reliability.	Reduced system monitoring during cold	\$ 1,000,000		\$ -	4
Alternative 2: Uprate Alternative	Distribution System Uprates - Increase the operating pressure of existing gas distribution system to a 60 PSIG MAOP. Uprating gas distribution system will increase the delivery capacity in addition to increases operating efficiency by tying existing distribution system together with similar operating pressures.	Reduction in regulator station maintenance.	\$ 50,000	\$ 100,000	\$ -	4
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):				
2012-2016					Current ER				
	Capital Cost	O&M Cost	Other Costs	Approved Capital					
					3000				
					3268				
2012	\$ 1,050,000	\$ -	\$ -	\$ 800,000					
2013	\$ 1,050,000	\$ -	\$ -	\$ 950,000					
2014	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000					
2015	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000					
2016	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000					
2017	\$ 800,000	\$ -	\$ -	\$ 800,000					
2018	\$ 600,000	\$ -	\$ -	\$ 600,000					
2019	\$ -	\$ -	\$ -	\$ -					
Total	\$ 6,500,000	\$ -	\$ -	\$ 6,150,000					

Mandate Excerpt (if applicable):
WAC 480-90-148(2)(d), "Each gas utility must maintain its gas system in a condition that enables it to furnish safe, adequate, and efficient service." IDAPA 31.31.01.151, "Service to the customer shall assure the customer of adequate pressure, a definite heat content, and the accurate measurement of gas." OR Tariff - Rule 14(A)(2), "The Company will exercise reasonable diligence and care to furnish and deliver a continuous and sufficient quantity of gas to its customers but does not guarantee continuity or sufficiency of quantity."

Additional Justifications:
Program required to reliably serve customers

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Natural Gas Distribution

Business Case Name: Gas Replacement Street & Highway

ER No: ER Name:

3003 Gas Replace-St&Hwy

3302 HWY 62 - HP & IP Main Relocation & SSFT #1316

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$18,000¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	1,938							847	303	235	194	153	207
2014	4,500	214	201	419	269	331	527	314	388	549	363	274	651
2015	4,500	214	201	419	269	331	527	314	388	549	363	274	651
2016	4,500	214	201	419	269	331	527	314	388	549	363	274	651

Business Case Description:

This annual program will replace sections of existing gas piping that require replacement due to relocation or improvement of streets or highways in areas where natural gas piping is installed. Avista installs many of its facilities in public right-of-way under established franchise agreements. Avista is required under the franchise agreements, in most cases, to relocate its facilities when they are in conflict with road or highway improvements.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Investment Business Case

Investment Name:	Gas Replacement Street and Highway	Assessments:	
Requested Amount	\$4,500,000	Financial:	Medium - >= 5% & <9% CIRR
Duration/Timeframe	On-Going	Strategic:	Other
Dept., Area:	Gas Operations	Operational:	Operations require execution to perform at current levels
Owner:	Mike Faulkenbery	Business Risk:	ERM Reduction >10 and <= 15
Sponsor:	Don Kopczynski	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Mandatory	Assessment Score:	140
Mandate/Reg. Reference:	Franchise Agreements and Permits		

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
This annual program will replace sections of existing gas piping that require replacement due to relocation or improvement of streets or highways in areas where gas piping is installed. Avista installs many of its facilities in public right-of-way under established franchise agreements. Avista is required under the franchise agreements, in most cases, to relocate its facilities when they are in conflict with road or highway improvements.	describe any incremental changes that this Program would benefit present operations	\$ 4,500,000	\$ -	\$ -	2

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
Status Quo:			Capital Cost	O&M Cost	Other Costs	
	Avista would be out of compliance with established franchise agreements and/or permits if work is not completed.	n/a	\$ -	\$ -	\$ -	16
Alternative 1:	Relocate facilities in conflict with street and highway projects where established franchise agreements and/or permits exist.	n/a	\$ 4,500,000	\$ -	\$ -	2
Alternative 2:		n/a	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)		describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):			
2012-2016					Current ER			
	Capital Cost	O&M Cost	Other Costs	Approved				
					3003			
					3302			
2012	\$ 2,200,000	\$ -	\$ -	\$ 2,200,000	3297			
2013	\$ 4,500,000	\$ -	\$ -	\$ 4,500,000				
2014	\$ 4,500,000	\$ -	\$ -	\$ 4,500,000				
2015	\$ 4,500,000	\$ -	\$ -	\$ 4,500,000				
2016	\$ 4,500,000	\$ -	\$ -	\$ 4,500,000				
2017	\$ 4,500,000			\$ 4,500,000				
2018	\$ 4,500,000			\$ 4,500,000				
Total	\$ 29,200,000	\$ -	\$ -	\$ 29,200,000				

Mandate Excerpt (if applicable):
 Franchise agreements and typical state highway and R/R permits prescribe that the utility will relocate at their expense when in conflict with entity activities.

Additional Justifications:
 Mandatory work to maintain compliance with existing franchise and operating permits with state highway districts and rail roads.



Capital Investment Business Case

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

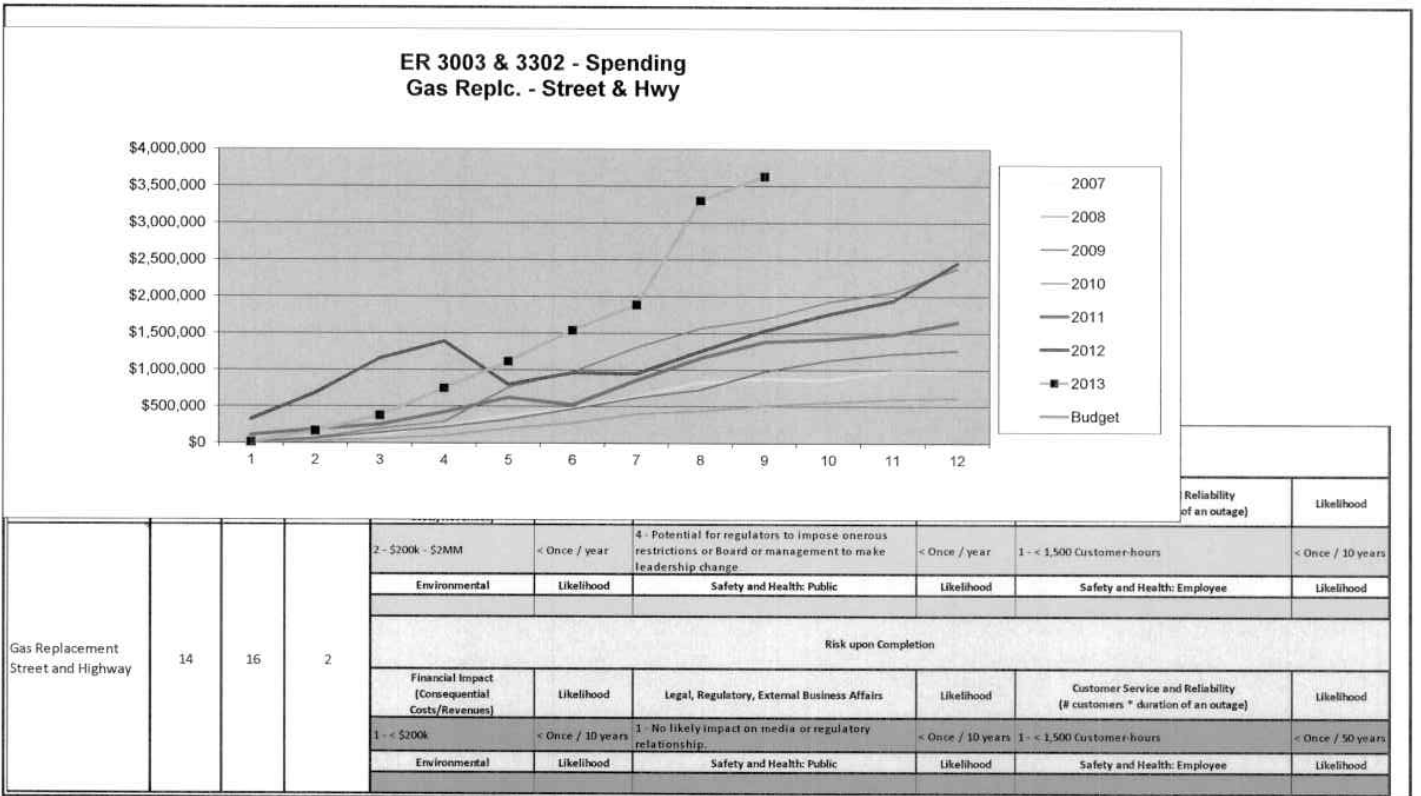
Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)
 Expected Performance Improvements
 KPI Measure:

Prepared signature *JM alu*

Reviewed signature *[Signature]* Director/Manager

Other Party Review signature (if necessary) Director/Manager



To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Natural Gas Distribution

Business Case Name: Gas Telemetry Deployment

ER No: ER Name:
3117 Gas Telemetry

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$1,200¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	98											38	60
2014	400	31	26	28	30	35	33	31	43	35	36	31	42
2015	400	31	26	28	30	35	33	31	43	35	36	31	42
2016	400	31	26	28	30	35	33	31	43	35	36	31	42

Business Case Description:

This program will continue the installations of gas telemetry throughout Avista's natural gas service territory. Further enhancing the telemetry sites will increase the visibility of the gas system to help analyze operational concerns and cold weather performance. This program will also replace the current mechanical pressure recording charts with electronic pressure recording devices. These types of projects also enhance our disaster recovery efforts by updating existing telemetry and adding new sites. Gas Scheduling benefits from this data also by having independent measurement points to check the pipelines values and to receive more timely information from the field.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case



Investment Name:	Gas Telemetry	Assessments:	
Requested Amount	\$400,000	Financial:	7.00%
Duration/Timeframe	Year Program	Strategic:	Reliability & Capacity
Dept., Area:	Gas Engineering	Business Risk:	Business Risk Reduction >5 and <= 10
Owner:	Mike Faulkenberry	Program Risk:	High certainty around cost, schedule and resources
Sponsor:	Don Kopczynski		
Category:	Program		
Mandate/Reg. Reference:	CFR 192.741 192.631	Assessment Score:	

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
This program will continue the installations of gas telemetry throughout Avista's gas service territory. Further enhancing the telemetry sites will increase the visibility of the gas system to help analyze operational concerns and cold weather performance. This program will also replace the current mechanical pressure recording charts with electronic pressure recording devices. These types of projects also enhance our Disaster Recovery efforts by updating existing telemetry and adding new sites. Gas Scheduling benefits from this data also by having independent measurement points to check the pipelines values and to receive more timely information from the field.	describe any incremental changes that this Program would benefit present operations	\$ 400,000	\$ -	\$ -	1

Alternatives:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
Unfunded Program: No further enhancements or maintenance of the existing telemetry system. Existing mechanical pressure recorders are expensive to fix and replace.	n/a	\$ -	\$ 50,000	\$ -	8
Alternative 1: Brief name of alternative (if applicable) Increase the number of gas telemetry sites and maintain or upgrade existing facilities. This funding level was previously approved as part of the Gas PMC Business Case. We are now requesting to separate it out as it does not align well with the PMC program.	describe any incremental changes in operations	\$ 400,000	\$ -	\$ -	1
Alternative 2: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2014	\$ 370,000	\$ -	\$ -	\$ 400,000
2015	\$ 370,000	\$ -	\$ -	\$ 400,000
2016	\$ 370,000	\$ -	\$ -	\$ 400,000
2017	\$ 370,000	\$ -	\$ -	\$ 400,000
2018	\$ 370,000	\$ -	\$ -	\$ 400,000
Total	\$ 1,850,000	\$ -	\$ -	\$ 2,000,000

3117			

ER	2014	2015	2016	2017	2018	Total	Mandate Excerpt (if applicable):
3117	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 2,000,000	CFR 192.741 - Each distribution system supplied by more than one source must be equipped with
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	telemetry or recording pressure gauges to indicate the gas pressure in the district.
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	CFR 192.631 - Control Room Mgmt
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Additional Justifications:
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Increased gas telemetry sites will also aide in the installation and monitoring of Automatic Shut Off or Remote Control Valves (ASO/RCV).
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Disaster Recovery - new telemetry sites are IP addressable to help in the event the primary dispatch center (Mission) is not available.
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 2,000,000	

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Natural Gas Distribution

Business Case Name: Isolated Steel Replacement

ER No: 3007
ER Name: Isolated Steel Replacement

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$10,582¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	1,121							188	180	116	184	173	280
2014	2,598	192	165	177	192	226	220	200	275	230	238	196	287
2015	2,818	209	179	192	208	245	238	217	299	249	258	213	311
2016	2,818	209	179	192	208	245	238	217	299	249	258	213	311

Business Case Description:

This annual program will replace sections of cathodically isolated steel pipe. Isolated portions of pipe including risers, service pipe and main will be replaced as required to meet the requirements of 49 CFR 192.455 & 157 and in accordance with WUTC Docket PG-100049. This program will be conducted in ID and OR also to assure cathodically isolated steel is identified and replaced as needed.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case



Investment Name:	Isolated Steel Replacement	Assessments:	
Requested Amount	\$2,598,333	Financial:	High - Exceeds 12% CIRR
Duration/Timeframe	On-Going	Strategic:	Reliability & Capacity
Dept., Area:	Gas Operations	Operational:	Operations somewhat impacted by execution
Owner:	Mike Faulkenberry	Business Risk:	ERM Reduction >0 and <= 5
Sponsor:	Don Kopczynski	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Mandatory	Assessment Score:	117
Mandate/Reg. Reference:	WAC Docket PG-100049, 49CFR192.455&157		

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
This annual program will replace sections of cathodically isolated steel pipe. Isolated portions of pipe including risers, service pipe and main will be replaced as required to meet the requirements of 49 CFR 192.455 & 157 and in accordance with WAC Docket PG-100049. This program will be conducted in ID and OR also to assure cathodically isolated steel is identified and replaced as needed.	describe any incremental changes that this Program would benefit present operations	\$ 2,598,333	\$ -	\$ -	12

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
Status Quo:			Capital Cost	O&M Cost	Other Costs	
	Avista would be out of compliance with Docket PG-100049 and 49 CFR 192.455 & 457.	n/a	\$ -	\$ -	\$ -	12
Alternative 1:	Complete programmatic replacement of isolated steel pipe	n/a	\$ 2,598,333	\$ -	\$ -	9
Alternative 2:		n/a	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)		describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):				
2012-2016					Current ER				
	Capital Cost	O&M Cost	Other Costs	Approved Capital	3007				
2012	\$ 2,321,433	\$ -	\$ -	\$ 1,095,000					
2013	\$ 2,348,337	\$ -	\$ -	\$ 2,348,333					
2014	\$ 2,598,333	\$ -	\$ -	\$ 2,598,333					
2015	\$ 2,790,043	\$ -	\$ -	\$ 2,818,333					
2016	\$ 2,790,043	\$ -	\$ -	\$ 2,818,333					
2017	\$ 2,818,333			\$ 2,818,333					
2018	\$ 2,818,333								
Total	\$ 18,484,855	\$ -	\$ -	\$ 14,496,665					

Mandate Excerpt (if applicable):
Docket PG-100049 (III) - "Agreement"(2) - Avista agrees to survey its entire Washington State pipeline system to find isolated steel and complete all remedial action set forth in this Agreement within five years of the effective date of this Agreement.

Additional Justifications:



Capital Investment Business Case

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)
 Expected Performance Improvements

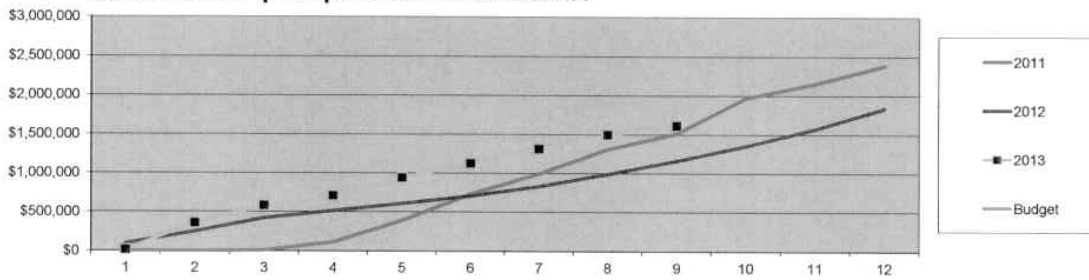
KPI Measure:			
B	U	Z	AA
Department	YTD October 2013	Minimum to Complete 2013	Percent Complete
1			
2	Spokane Gas Construction	586	650 90%
3	Roseburg	113	107 106%
4	Medford Construction	5	222 2%
6	Clarkston Electric & Gas	6	34 18%
7	La Grande	25	28 89%
8	Sandpoint / Bonners Ferry	4	7 57%
9	CDA Gas	38	31 123%
10	Klamath Falls	24	43 56%
11	Pullman Electric & Gas	14	98 14%
12	Total YTD 2013	815	1220 67%

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Reviewed signature [Signature] Director/Manager

Other Party Review Signature (if necessary) _____ Director/Manager

ER 3007 - Spending
 Isolated Steel Pipe Replacement Minor Blanket



Business Case	ERM Risk Reduction	Status Quo Raw Score	Risk on Completion Raw Score	Status Quo Risk					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
Isolated Steel Replacement	3	12	9	3 - \$2MM - \$4MM	< Once / 5 years	4 - Potential for regulators to impose onerous restrictions or Board or management to make leadership change	< Once / 5 years	1 - < 1,500 Customer-hours	< Once / 10 years
				Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood
				Risk upon Completion:					
				3 - \$2MM - \$4MM	< Once / 5 years	2 - Could result in a moderate negative impact to local, online, or industrial relationships and /or regional media coverage	< Once / 10 years	1 - < 1,500 Customer-hours	< Once / 50 years
				Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Natural Gas Distribution

Business Case Name: Overbuilt Pipe Replacement

ER No: 3006
ER Name: Overbuilt Pipe Replacement Blanket

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$3,300¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	390							40	65	34	73	66	112
2014	900	82	74	73	73	75	73	72	85	72	74	75	72
2015	900	82	73	73	73	75	73	71	86	72	75	74	73
2016	900	82	73	73	73	75	73	71	86	72	75	74	73

Business Case Description:

This program will replace sections of existing natural gas distribution piping that has either experienced encroachment or have been built over/covered by customer-constructed improvements (i.e. decks, driveways, etc.). These types of situations restrict the Company’s access to pipe. The project will address the replacement of sections of gas main and services that no longer can be operated safely. The replacements will be completed to enhance public safety. All types of overbuilds will be addressed with the primary focus of the project being overbuilds in manufactured/mobile home developments.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case



Investment Name:	Overbuilt Pipe Replacement	Assessments:	
Requested Amount	\$900,000	Financial:	7.00%
Duration/Timeframe	On Going Year Program	Strategic:	Reliability & Capacity
Dept., Area:	Gas Operations	Business Risk:	Business Risk Reduction >5 and <= 10
Owner:	Mike Faulkenberry	Program Risk:	High certainty around cost, schedule and resources
Sponsor:	Don Kopczynski		
Category:	Mandatory		
Mandate/Reg. Reference:	49 CFR 192.361(f)	Assessment Score:	131

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
This program will replace sections of existing gas piping that have experienced encroachment or have been overbuilt by customer constructed improvements (i.e. decks, driveways, etc.) that restricts the Company's access to pipe. It will address the replacement of sections of gas main and services that no longer can be operated safely. The replacements will be completed to enhance public safety. All types of overbuilds will be addressed with the primary focus of the project being overbuilds in manufactured/mobile home developments.	describe any incremental changes that this Program would benefit present operations	Capital Cost	O&M Cost	Other Costs	
		\$ 900,000	\$ -	\$ -	4

Alternatives:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
Unfunded Program:	Avista will continue operating with increased risk due to overbuilds	Capital Cost	O&M Cost	Other Costs	
	n/a	\$ -	\$ -	\$ -	12
Alternative 1: Brief name of alternative (if applicable)	Complete programmatic replacement of overbuilt pipe.	Capital Cost	O&M Cost	Other Costs	
	describe any incremental changes in operations	\$ 900,000	\$ -	\$ -	4
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	Capital Cost	O&M Cost	Other Costs	
	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	Capital Cost	O&M Cost	Other Costs	
	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows				
	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 500,000	\$ -	\$ -	\$ 500,000
2013	\$ 900,000	\$ -	\$ -	\$ 600,000
2014	\$ 900,000	\$ -	\$ -	\$ 900,000
2015	\$ 900,000	\$ -	\$ -	\$ 900,000
2016	\$ 900,000	\$ -	\$ -	\$ 900,000
2017	\$ 900,000	\$ -	\$ -	\$ 900,000
2018	\$ 900,000	\$ -	\$ -	\$ 900,000
Total	\$ 4,500,000	\$ -	\$ -	\$ 5,100,000

Associated Ers (list all applicable):			
3006			

ER	2013	2014	2015	2016	2017	Total	Mandate Excerpt (if applicable):
3006	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 4,500,000	49 CFR 192.361(f) "Installation of service lines under buildings. Where an underground service line is installed under a building:" [Not allowed w/o conduit]
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 900,000	\$ 4,500,000	Additional Justifications: Avista operates with an increase risk to its customers and the general public when operating pipeline facilities that exist under structures.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: <input type="checkbox"/> Low Probability <input type="checkbox"/> Medium Probability <input checked="" type="checkbox"/> High Probability	Enterprise Tech: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).
Contract Labor: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Facilities: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Capital Tools: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Fleet: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	



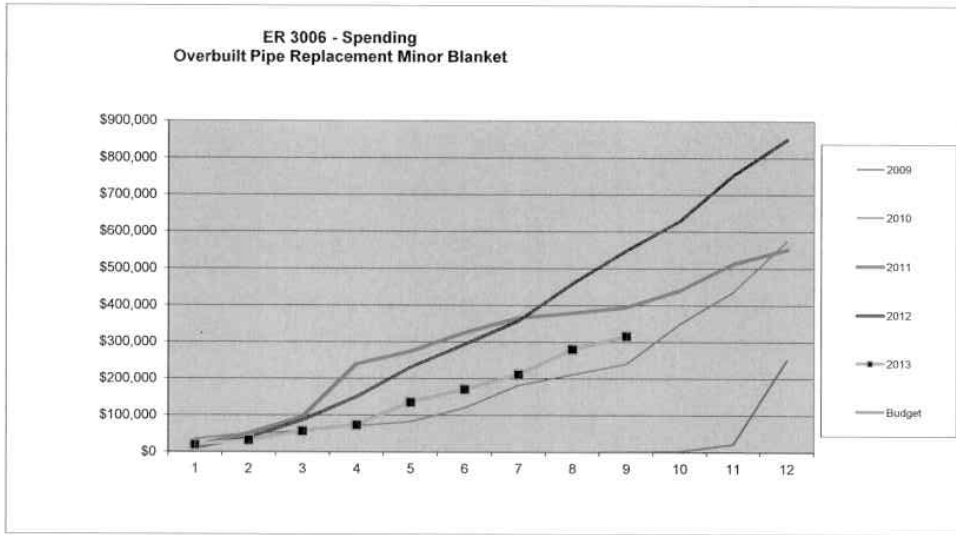
Capital Program Business Case

Key Performance Indicator(s)
 Expected Performance Improvements
 KPI Measure:

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Reviewed signature *[Signature]*
 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager



To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Natural Gas Distribution

Business Case Name: Regulator Station Reliability Replacement

ER No: 3002
ER Name: Regulator Reliable - Blanket

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$2,850¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	218							5	6	122	23	32	31
2014	600	36	31	39	44	48	64	64	67	59	52	48	47
2015	800	44	40	51	58	64	88	87	89	81	70	64	63
2016	800	44	40	51	58	64	88	87	89	81	70	64	63

Business Case Description:

This annual project upgraded or replaced various regulator stations within the natural gas distribution system, improving station reliability and reducing operation and maintenance costs. Existing stations required upgrades due to many factors, such as replacement of obsolete equipment and improvement in regulation technology.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Investment Business Case

Investment Name:	Regulator Station Reliability Replacement	Assessments:	
Requested Amount	\$600,000	Financial:	Medium - >= 5% & <9% CIRR
Duration/Timeframe	On-Going	Strategic:	Life Cycle Programs
Dept., Area:	Gas Operations	Operational:	Operations require execution to perform at current levels
Owner:	Mike Faulkenberry	Business Risk:	ERM Reduction >0 and <= 5
Sponsor:	Don Kopczynski	Program Risk:	High certainty around cost, schedule and resources
Category:	Program	Assessment Score:	75
Mandate/Reg. Reference:		Annual Cost Summary - Increase/(Decrease)	

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This annual program will replace or upgrade existing regulator stations and meter stations to current Avista standards. This program will address enhancements that will improve system operating performance, safety, replacement of inadequate or antiquated equipment that is no longer supported, and ensure the reliable operation of metering and regulating equipment.	describe any incremental changes that this Program would benefit present operations	\$ 600,000	\$ -	\$ -	2

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo:	Stations are identified on an on-going basis that require upgrade or replacement to ensure continued reliable operation. Stations that are not upgraded may pose a greater risk to leaks or affect system reliability.	\$ -	\$ -	\$ -	4
Alternative 1:	Upgrade stations as identified on an on-going basis	\$ 600,000	\$ -	\$ -	2
Alternative 2:	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows	Associated Ers (list all applicable):			
2012-2016	Capital Cost	O&M Cost	Other Costs	Approved
				Current ER
				3002
2012	\$ 500,000	\$ -	\$ -	\$ 400,000
2013	\$ 650,000	\$ -	\$ -	\$ 650,000
2014	\$ 600,000	\$ -	\$ -	\$ 600,000
2015	\$ 800,000	\$ -	\$ -	\$ 800,000
2016	\$ 800,000	\$ -	\$ -	\$ 800,000
2017	\$ 800,000			\$ 800,000
2018	\$ 800,000			\$ 800,000
Total	\$ 4,950,000	\$ -	\$ -	\$ 4,850,000

Mandate Excerpt (if applicable):
CFR § 192.739 - Pressure limiting and regulating stations: Inspection and testing. Mandates that Regulating Stations must be inspected annually. If older components are not repairable, then maintenance might not be completed appropriately.

Additional Justifications:
Approximately 50% of the spending is required to satisfy the replacement of antiquated equipment or have an elevated safety risk. Approximately 50% of the spending is strategic and provides enhancements that facilitate operation and maintenance.

Resources Requirements: (request forms and approvals attached)

- Internal Labor Availability: Low Probability Medium Probability High Probability
Contract Labor: YES NO
Enterprise Tech: YES - attach form NO or Not Required
Facilities: YES - attach form NO or Not Required
Capital Tools: YES - attach form NO or Not Required
Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)
Expected Performance Improvements
KPI Measure:

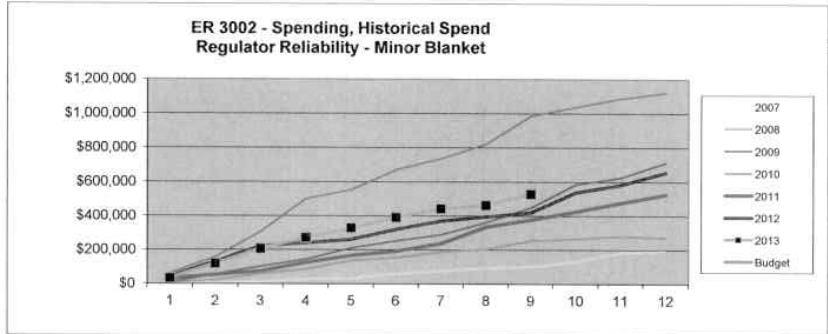


Capital Investment Business Case

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Reviewed signature [Signature]
 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager



g the Program

Business Case	ERM Risk Reduction	Status Quo Raw Score	Risk on Completion Raw Score	Status Quo Risk					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (If customers * duration of an outage)	Likelihood
Regulator Station Reliability Replacement	2	4	2	1 - < \$200k	< Once / 10 years	2 - Could result in a moderate negative impact to local, online, or industrial relationships and /or regional media coverage	< Once / 10 years	1 - < 1,500 Customer hours	< Once / 10 years
				Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood
				1 - Isolated spill with 0 to low level PCBs, no migration, air emission minor exceedence, standard clean-up	< Once / 10 years	1 - Potential for injury Public health infrastructure impact up to 8 hours	< Once / 10 years	1 - Potential for injury	< Once / 10 years
				Risk upon Completion					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (If customers * duration of an outage)	Likelihood
				1 - < \$200k	< Once / 10 years	1 - No likely impact on media or regulatory relationship.	< Once / 50 years	1 - < 1,500 Customer hours	< Once / 10 years
Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood				
1 - Isolated spill with 0 to low level PCBs, no migration, air emission minor exceedence, standard clean-up	< Once / 50 years	1 - Potential for injury Public health infrastructure impact up to 8 hours	< Once / 50 years	1 - Potential for injury	< Once / 50 years				

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Natural Gas Distribution

Business Case Name: Replace Deteriorating Steel Gas Systems

ER No: 3001
ER Name: Replace Deteriorating Gas System

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$3,400¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	495							22	39	62	249	43	81
2014	800	42	41	49	56	71	73	65	81	79	79	57	107
2015	1,000	52	51	61	70	89	92	83	101	100	98	71	132
2016	1,000	52	51	61	70	89	91	82	101	99	99	71	134

Business Case Description:

This annual program will replace sections of existing steel gas piping that are suspect for failure or are showing signs of deterioration within the gas system. This program will address the replacement of sections of gas main with corrosion related issues that no longer operate reliably and/or safely. Sections of the gas system require replacement due to many factors including material failures, environmental impact, increased leak frequency, or coating problems. This program will identify and replace sections of steel pipe to improve public safety and system reliability. The projects primary focus is to address corrosion related pipe issues.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case



Investment Name:	Repl. Deteriorating Steel Gas Systems	Assessments:	
Requested Amount	\$800,000	Financial:	<= 0% CIRR
Duration/Timeframe	On-Going	Strategic:	Life Cycle Programs
Dept., Area:	Gas Operations	Operational:	Operations improved beyond current levels
Owner:	Mike Faulkenberry	Business Risk:	ERM Reduction >5 and <= 10
Sponsor:	Don Kopczynski	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Program	Assessment Score:	79
Mandate/Reg. Reference:		Annual Cost Summary - Increase/(Decrease)	

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This annual program will replace sections of existing steel gas piping that are suspect for failure or are showing signs of deterioration within the gas system. This program will address the replacement of sections of gas main with corrosion related issues that no longer operate reliably and/or safely. Sections of the gas system require replacement due to many factors including material failures, environmental impact, increased leak frequency, or coating problems. This program will identify and replace sections of steel pipe to improve public safety and system reliability; it's primary focus is to address corrosion related pipe issues.	describe any incremental changes that this Program would benefit present operations	\$ 800,000	\$ -	\$ -	1

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
			Capital Cost	O&M Cost	Other Costs	
Status Quo :	A number of locations have been identified in Medford, Klamath Falls, Roseburg, and La Grande OR that have older main at a higher operating risk related to leaks.	n/a	\$ -	\$ -	\$ -	6
Alternative 1: Pipe Installation	Strategically replace sections of at-risk steel piping.	Reduced risk of system leaks	\$ 800,000	\$ -	\$ -	1
Alternative 2:		describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)		describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):			
2012-2016	Capital Cost	O&M Cost	Other Costs	Approved	Current ER			
					3001			
2012	\$ 800,000	\$ -	\$ -	\$ 800,000				
2013	\$ 600,000	\$ -	\$ -	\$ 600,000				
2014	\$ 800,000	\$ -	\$ -	\$ 800,000				
2015	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000				
2016	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000				
2017	\$ 1,000,000			\$ 1,000,000				
2018	\$ 1,000,000			\$ 1,000,000				
Total	\$ 6,200,000	\$ -	\$ -	\$ 6,200,000				

Mandate Excerpt (if applicable):
N/A

Additional Justifications:
This program has been executed historically using a qualitative assessment method at the district level.

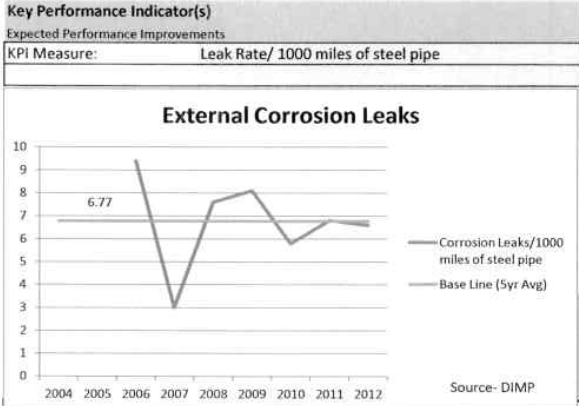


Capital Investment Business Case

Resources Requirements: (request forms and approvals attached)

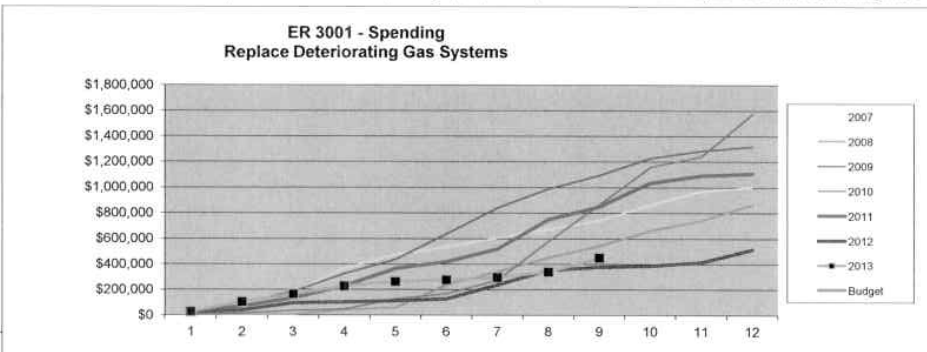
Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO
 Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).



Prepared signature *[Signature]*
 Reviewed signature *[Signature]* Director/Manager
 Other Party Review signature (if necessary) Director/Manager

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Business Case	Reduction	Cost Score	Completion Rate Score	Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (if customers * duration of an outage)	Likelihood
Repl. Deteriorating Steel Gas Systems	7	8	1	1- \$2MM - \$4MM	< Once / 10 years	4- Potential for regulators to impose onerous restrictions or Board or management to make leadership change	< Once / 10 years	1- < 1,500 Customer-hours	< Once / 10 years
				Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood
				1- Isolated spill with 0 to low level PCBs, no migration, air emission minor exceedance, standard clean-up	< Once / year	3- Potential for serious injury significant damage to equipment, property or business; Public health infrastructure impact up to 48 hours	< Once / 10 years	1- Potential for injury	< Once / 10 years
				Risk upon Completion					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (if customers * duration of an outage)	Likelihood
				1- < \$200k	< Once / 50 years	1- No likely impact on media or regulatory infractioning	< Once / 50 years	1- < 1,500 Customer-hours	< Once / 50 years
Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood				
1- Isolated spill with 0 to low level PCBs, no migration, air emission minor exceedance, standard clean-up	< Once / 50 years	1- Potential for injury Public health infrastructure impact up to 8 hours	< Once / 50 years	1- Potential for injury	< Once / 50 years				

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Natural Gas Distribution

Business Case Name: Gas Planned Meter Change-out (“PMC”) Program - Capital Replacements

ER No: ER Name:

3055 Gas Meter Replacement Non-Revenue

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$3,090¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014	1,000	76	63	70	75	83	93	89	110	89	87	80	85
2015	1,030	78	65	72	77	85	96	92	114	92	90	82	88
2016	1,061	79	66	74	79	88	99	95	117	95	92	85	91

Business Case Description:

This annual program will provide for replacement of gas meters and associated measurement equipment that are completed in association with the Gas Planned Meter Change-out (PMC) program. Avista is required by commission rules and an approved Tariff in WA, ID, and OR to test meters for accuracy and ensure proper metering performance. Execution of this program on an annual basis will ensure the continuation of reliable gas measurement. This program will include the labor and minor materials associated with the PMC program. Major materials (meters, regulators, and ERTs) will be charged to the appropriate growth ERs.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Gas PMC Program	Assessments:	
Requested Amount	\$1,000,000	Financial:	High - Exceeds 12% CIRR
Duration/Timeframe	On-Going Year Program	Strategic:	Reliability & Capacity
Dept., Area:	Gas Engineering	Business Risk:	Business Risk Reduction >10 and <= 15
Owner:	Mike Faulkenberry	Program Risk:	Moderate certainty around cost, schedule and resources
Sponsor:	Don Kopczynski		
Category:	Mandatory		
Mandate/Reg. Reference:	WAC 480-90-348, IDAPA 31.31.01.151-200, OAR	Assessment Score:	185

Recommend Program Description:	Annual Cost Summary - Increase/(Decrease)				Business Risk Score
	Performance	Capital Cost	O&M Cost	Other Costs	
This annual program will provide for replacement of gas meters and associated measurement equipment that are completed in association with the Gas Planned Meter Change out (PMC) program. Avista is required by commission rules and an approved Tariff in WA, ID, and OR to test meters for accuracy and ensure proper metering performance. Execution of this program on an annual basis will ensure the continuation of reliable gas measurement. This program will include the labor and minor materials associated with the PMC program. Major materials (meters, regulators, and ERTs) will be charged to the appropriate growth ERs.		\$ 1,000,000	\$ -	\$ -	0

Alternatives:		Annual Cost Summary - Increase/(Decrease)				
Status Quo :		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
	Avista would be out of compliance with state administrative requirements in WA, ID, and OR related to gas measurement and could face fines if not completed.	n/a	\$ -	\$ -	\$ -	0
Alternative 1:	Replacement gas meters, ERTS, and regulators as part of the gas meter PMC program and complete strategic enhancement of the telemetry and measurement technology systems.		\$ 1,000,000	\$ -	\$ -	0
Alternative 2:			\$ -	\$ -	\$ -	0
			\$ -	\$ -	\$ -	0

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2013	\$ -	\$ -	\$ -	\$ -
2014	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
2015	\$ 1,030,000	\$ -	\$ -	\$ 1,030,000
2016	\$ 1,060,900	\$ -	\$ -	\$ 1,060,900
2017	\$ 1,092,727	\$ -	\$ -	\$ 1,092,727
2018	\$ 1,125,509	\$ -	\$ -	\$ 1,125,509
Total	\$ 4,183,627	\$ -	\$ -	\$ -

3055			

ER	2013	2014	2015	2016	2017	Total	Mandate Excerpt (if applicable):
3055	\$ -	\$ 1,000,000	\$ 1,030,000	\$ 1,060,900	\$ 1,092,727	\$ 4,183,627	see below
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ 1,000,000	\$ 1,030,000	\$ 1,060,900	\$ 1,092,727	\$ 4,183,627	

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO
 Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Capital Program Business Case



Key Performance Indicator(s)
 Expected Performance Improvements
 KPI Measure: # of meter changed out vs. # required (this changes annually)

Prepared signature *[Signature]*

Reviewed signature *[Signature]*
 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager

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MANDATE EXCERPT: OAR 860-023-0015(3) - "Each energy utility shall adopt schedules for periodic tests and repairs of meters. The length of time meters shall be allowed to remain in service before receiving periodic tests and repairs is to be determined from periodic analysis of the accuracy of meters tested. The schedules adopted shall be subject to the Commission's approval."

ADDITIONAL COMMENTS: Program required to reliably serve customers, ensure accurate measurement, and properly bill gas revenue. These charges had historically gone into ER3005, the Business Case for ER3005 will be adjusted to show the change starting in 2014. Historically ER3117 had been combined with this program, as of 1-1-14, it will be on its own Business Case.

Previous Scoring:

Business Case	Business Risk Reduction	Uncertainty Risk Score	Revised Risk Raw Score	Undated Project/Program Risk (no funding if a project, cease funding if an existing program)					
				Financial Impact (Consequential Costs/Benefits)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
Gas FMC Program, Capital Replacements	32	16	4	2 - \$200k - \$2M	< Once / year	4 - Potential for regulators to impose onerous restrictions or Board for management to make budgetary change	< Once / year	1 - 1,500 Customer-hours	< Once / 10 years
				Environmental	Likelihood	Safety and Health- Public	Likelihood	Safety and Health- Employee	Likelihood
						1 - Potential for injury	< Once / 10 years	1 - Potential for injury	< Once / 10 years
						Public health infrastructure impact up to 8 hours	< Once / 10 years	1 - Potential for injury	< Once / 10 years
				Revised Risk if funded/completed					
				1 - \$200k	< Once / year	1 - No likely impact on media or regulatory relationship	< Once / 10 years	1 - 1,500 Customer-hours	< Once / 10 years
Environmental	Likelihood	Safety and Health- Public	Likelihood	Safety and Health- Employee	Likelihood				
		1 - Potential for injury	< Once / 10 years	1 - Potential for injury	< Once / 10 years				
		Public health infrastructure impact up to 8 hours	< Once / 10 years	1 - Potential for injury	< Once / 10 years				

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Natural Gas Distribution

Business Case Name: Encoder Receiver Transmitter (“ERT”) Replacement Program

ER No: 3054
ER Name: Gas ERT Replacement Program

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$1,846¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014													
2015	902	54	49	58	65	78	84	78	95	87	85	67	102
2016	944	56	51	60	68	81	89	82	99	91	89	71	107

Business Case Description:

This program covers labor required for the consistent replacement of 19,500 gas ERTs annually for a 12-year cycle, beginning in the year 2015. Analyses has identified that a levelized replacement strategy will minimize the effect of unit failures as well as introduce new, levelized populations of ERTs into the system for future predictive maintenance. Large populations of ERTs are predicted to fail in quantities of over 20,000 units per year at the peak, causing an operations burden of personnel and equipment as well as an unreasonable number of estimated bills (currently Avista experiences just a couple hundred failures annually due to small ERT populations). The cost of the ERT will go against ER1053, not this business case.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	ERT Replacement Program	Assessments:	
Requested Amount	\$0	Financial:	7.00%
Duration/Timeframe	12 Year Program	Strategic:	Life-cycle asset management
Dept., Area:	Gas Engineering	Business Risk:	Business Risk Reduction >5 and <= 10
Owner:	Mike Faulkenberry	Program Risk:	High certainty around cost, schedule and resources
Sponsor:	Don Kopczynski		
Category:	Program		
Mandate/Reg. Reference:	n/a	Assessment Score:	91

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
This program covers the consistent replacement of 19,500 gas ERTs annually for a 12 year cycle, beginning in the year 2015. Analysis has identified that a leveled replacement strategy will minimize the effect of unit failures as well as introduce new, leveled populations of ERTs into the system for future predictive maintenance. Large populations of ERTs are predicted to fail in quantities of over 20,000 units per year at the peak, causing an operations burden of personnel and equipment as well as an unreasonable number of estimated bills (currently Avista experiences just a couple hundred failures annually due to small ERT populations). Cost of the ERT will go against ER1053, not this business case.	As ERTs are replaced in a planned way, the impact to operations resources and customer billing estimates can	Capital Cost	O&M Cost	Other Costs	1
		\$ 901,890	\$ 8,000	\$ -	

Alternatives:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score	
Unfunded Program:	If unfunded, the number of field ERT failures will increase to an unsustainable level. At its peak, more than 20,000 ERTs are predicted to fail annually, each requiring a maintenance call and estimated bill for customers. Avista experiences only a couple hundred failures currently due to small	n/a	\$ 1,058,000	\$ 117,000	\$ -	2
Alternative 1: Brief name of alternative (if applicable)	12 year program: Replace approx 19,500 ERTs annually until all ERTs are refreshed. Replacements beyond this 12 year cycle then occur at 14 years of age, so there will be a lag & re-set of this program at that time, however, new populations will have been leveled so there are no more than 19,500	As ERTs are refreshed, trouble calls for field failures	\$ 901,890	\$ 8,000	\$ -	1
Alternative 2: Brief name of alternative (if applicable)	Prior to the recent analysis, the belief was that replacing units older than 10 years of age was the best advantage. This modern study has shown that doing a 'birthday' replacement at 10 years will pull units with too much life still available, and does not introduce level populations back into the system	Aggressive, early replacement is not desired	\$ 1,950,000	\$ 690	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					
	Capital Cost	O&M Cost	Other Costs	Approved	
Previous	\$ -	\$ -	\$ -	\$ -	-
2014	\$ -	\$ -	\$ -	\$ -	-
2015	\$ 901,890	\$ -	\$ -	\$ -	901,890
2016	\$ 943,960	\$ -	\$ -	\$ -	943,960
2017	\$ 994,140	\$ -	\$ -	\$ -	994,140
2018	\$ 1,044,320	\$ -	\$ -	\$ -	1,044,320
Total	\$ 3,884,310	\$ -	\$ -	\$ -	3,884,310

Associated Ers (list all applicable):			
3054			

ER	2014	2015	2016	2017	2018	Total	Mandate Excerpt (if applicable):
3054	\$ -	\$ 901,890	\$ 943,960	\$ 994,140	\$ 1,044,320	\$ 3,884,310	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ 901,890	\$ 943,960	\$ 994,140	\$ 1,044,320	\$ 3,884,310	

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).



Capital Program Business Case

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	# of ERTs replaced vs. planned

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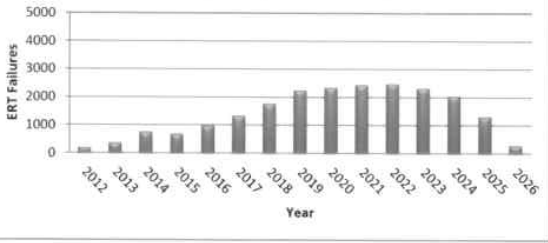
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 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager

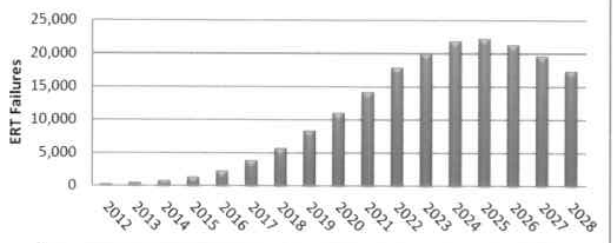
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Avista has over 230,000 gas ERTs in service since the year 2000. There have been large population years, such as 2004 and 2005, which represent over 100,000 units alone. These ERTs run on batteries that will eventually discharge and need replacement, and are predicted to happen in large quantities over short periods of time, peaking at over 20,000 field failures a year unless organized replacements begin. A leveled replacement rate of approximately 19,500 units annually, starting in 2015, balances the maximum life of the battery while reducing the effects of field failures to a manageable level. The leveled replacement process also introduces smaller populations of ERTs back into the system so the next time batteries need replacing there will only be about 19,500 unit families in place for any given future year. (Refer to Asset Management Report Titled "ERT Replacement Strategy Development, 6/14/12)

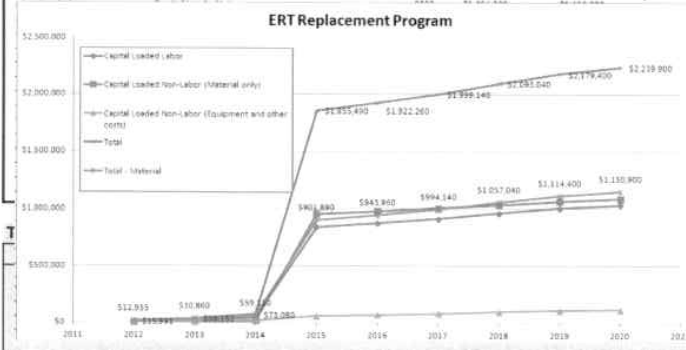
Annual Failures Beyond 19,417 Planned Replacements



Failures in a Run-to-Failure Model



ERT Replacement Program



Review Cycles
 2012-2016

Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Natural Gas Distribution

Business Case Name: Goldendale High Pressure Main Replacement

ER No: 3306
ER Name: Goldendale HP

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$3,500¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014													
2015	3,500												
2016													3,500

Business Case Description:

The coating on the existing high pressure main that feeds the town of Goldendale is disbanded and is showing signs of early stages of corrosion. This line has been exposed in several different locations, and all sections have similar characteristics. It is proposed to replace nearly 3 miles of 4" HP feeding the town of Goldendale with new 4" steel main. Federal code mandates that the coating on steel mains must be properly adhered to the main to protect the pipe from corrosion. This gas system was purchased from Columbia Gas Co and the construction records are not complete, an added benefit to replacement would be the opportunity to have complete construction and pressure test documentation.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Project Business Case



Investment Name:	Goldendale HP	Assessments:	
Requested Amount	\$0	Financial:	7.00%
Duration/Timeframe	1 Year Project	Strategic:	Reliability & Capacity
Dept., Area:	Gas Engineering	Business Risk:	Business Risk Reduction >10 and <= 15
Owner:	Mike Faulkenberry	Project Risk:	High certainty around cost, schedule and resources
Sponsor:	Don Kopczynski	Assessment Score:	94
Category:	Project	Annual Cost Summary - Increase/(Decrease)	
Mandate/Reg. Reference:	CFR 192.459 192.461		

Recommend Project Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
The coating on the existing HP main that feeds the town of Goldendale is disbonded and is showing signs of early stages of corrosion. This line has been exposed in several different locations, all have similar characteristics. It is proposed to replace nearly 3 miles of 4" HP feeding the town of Goldendale with new 4" steel main. Federal code mandates that the coating on steel mains must be properly adhered to the main to protect the pipe from corrosion. This gas system was purchased from Columbia Gas Co and the construction records are not complete, an added benefit to replacement would be the opportunity to have complete construction and pressure test documentation.		\$ 3,500,000	\$ -	\$ -	1

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	If unfunded, we could face potential fines from the WUTC.		\$ -	\$ 100,000	\$ -	12
Relocate Meter Str	Replace 3 miles of 4" HP gas main as described above.		\$ 3,500,000	\$ -	\$ -	1
Rewrap pipe	Rewrap the 3 miles of HP gas main	high O&M expense	\$ -	\$ 2,000,000	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2013	\$ -	\$ -	\$ -	\$ -
2014	\$ -	\$ -	\$ -	\$ -
2015	\$ 3,500,000	\$ -	\$ -	\$ 3,500,000
2016	\$ -	\$ -	\$ -	\$ -
2017+	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,500,000	\$ -	\$ -	\$ 3,500,000

Associated Ers (list all applicable):

3xxx			

ER	2013	2014	2015	2016	2017+	Total	Mandate Excerpt (if applicable):
3xxx	\$ -	\$ -	\$ 3,500,000	\$ -	\$ -	\$ 3,500,000	192.459 Corrosion control: Examination of buried pipeline when exposed.
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	192.461 Corrosion control: Protective coatings
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ -	\$ 3,500,000	\$ -	\$ -	\$ 3,500,000	

Milestones (high level targets)

January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open

Milestones should be general. Use your judgement on project progress so that progress can be measured.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Natural Gas Distribution

Business Case Name: Reinforcement, Highway 2 North of old Kaiser Aluminum

ER No: ER Name:
3237 US2 N Spo Gas HP Reinforce(Kaiser Prop)

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$1,405¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014													
2015	1,400												
2016													1,400

Business Case Description:

This project will reinforce the area north of the Kaiser Aluminum property along Hwy 2. The distribution system in this area is not able to reliably serve customers on a design day. Additionally, Avista serves the Inland Asphalt plant located north of this location that cannot reliably serve this customer in the spring and fall. Approximately 8,000' of 6" high-pressure steel will be installed. Engineering to start in 2014, construction planned for 2015. This project is the top reinforcement priority for the Spokane area.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Investment Business Case

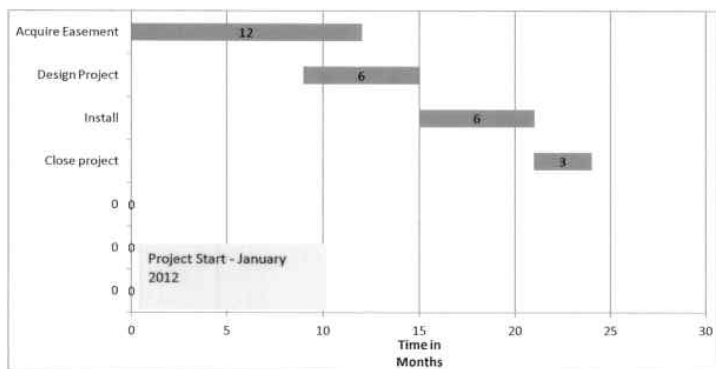
Investment Name:	Reinforcement, Hwy 2 (Kaiser), Spokane WA		Assessments:	
Requested Amount	\$	100,000	Financial:	Low - >0% and < 5% CIRR
Duration/Timeframe	no. years: 1	Year Project: 2014	Strategic:	Reliability & Capacity
Dept., Area:	Gas Engineering		Operational:	Operations not impacted by execution
Owner:	Mike Faulkenberry		Business Risk:	ERM Reduction >0 and <= 5
Sponsor:	Don Kopczynski		Project/Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Project		Assessment Score:	34
Mandate/Reg. Reference:	WAC 480-90-148(2)(d)			

Recommend Project Description:	Performance	Cost Summary - Increase/(Decrease)			Business Risk Score
This project will reinforce the area north of the Kaiser property along Hwy 2. The distribution system in this area is not able to reliably serve customers on a design day. Additionally, Avista serves the Inland Asphalt plant located north of this location that is not able to be reliability served in the spring and fall. Completion of this reinforcement will improve pressures in the US2 Kaiser area. Approximately 8,000' of 6" HP steel will be installed. Engineering to start in 2014, construction planned for 2015. This project is the top reinforcement priority for the Spokane area.	describe any incremental changes that this project would benefit present operations	Capital Cost	O&M Cost	Other Costs	6
		\$ 1,400,000	\$ -	\$ -	

Alternatives:	Performance	Cost Summary - Increase/(Decrease)			Business Risk Score	
Status Quo :	Inability to reliability serve all customers on the north side of the Kaiser near Hwy 2.	n/a	\$ -	\$ -	\$ -	6
Alternative 1: Brief name of alternative (if applicable)	Capital Pipe Installations (8000') - Install additional pipe to reinforce and loop existing gas distribution system to increase system capacity and reliability.	describe any incremental changes in operations	\$ 1,400,000	\$ -	\$ -	1
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Timeline

Construction Cash Flows (CWIP)



	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 43,500	\$ -	\$ -	\$ 43,500
2012	\$ -	\$ -	\$ -	\$ -
2013	\$ -	\$ -	\$ -	\$ 5,000
2014	\$ 100,000	\$ -	\$ -	\$ 100,000
2015	\$ 1,300,000	\$ -	\$ -	\$ 1,300,000
2016	\$ -	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -	\$ -
Future	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,443,500	\$ -	\$ -	\$ 1,448,500

Milestones should be general. In some cases it may be as simple as project start, project complete. Use your judgment on project progress so that progress can be measured.

Milestones (high level targets)

- August-14 Acquire easement
- December-14 Design pipe installation
- November-15 Install pipe
- December-15 Project complete and closed

Associated Ers (list all applicable):	Current ER	3237					
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Mandate Excerpt (if applicable):	WAC 480-90-148(2)(d), "Each gas utility must maintain its gas system in a condition that enables it to furnish safe, adequate, and efficient service."
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Additional Justifications:

This project requires a easement through the Kaiser Property to be completed. The project schedule is dependant upon acquisition of the appropriate easements. This project is a strategic reinforcement and is addressing pressure issues related to operation of the asphalt plant north of Hwy 2 during the shoulder months and enhancements to the gas system to accommodate future growth in the area of the old Kaiser property. This project CIRR will increase with growth in the area within or near the Kaiser property.



Capital Investment Business Case

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)
 Expected Performance Improvements
 KPI Measure:

Prepared signature 

Reviewed signature  Director/Manager

Other Party Review signature (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the project

Business Case	ERM Risk Reduction	Status Quo Raw Score	Risk on Completion Raw Score	Status Quo Risk					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
Chase Rd. Gate Station Installation	5	6	1	1 - < \$200k	< Once / 5 years	2 - Could result in a moderate negative impact to local, online, or industrial relationships and/or regional media coverage	< Once / 5 years	1 - < 1,500 Customer-hours	< Once / 10 years
				Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood
				Risk upon Completion					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
1 - < \$200k	< Once / 50 years	1 - No likely impact on media or regulatory relationship.	< Once / 50 years	1 - < 1,500 Customer-hours	< Once / 50 years				
Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood				

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Gas Underground Storage

Business Case Name: Jackson Prairie Storage

ER No: 7201
ER Name: Jackson Prairie Storage

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$3,050¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	450							-1	2	326	- 44	83	83
2014	500				33		33	36	364		33		
2015	1,000	83	83	83	83	83	83	83	83	83	83	83	83
2016	1,000	83	83	83	83	83	83	83	83	83	83	83	83

Business Case Description:

Jackson Prairie (JP) Underground Storage Facility stores natural gas. Avista owns this facility as a 1/3 partner with Puget Sound Energy and Williams' Northwest Pipeline. Puget Sound Energy is the managing partner for the facility, which is located in Chehalis, WA. The requested capital represents Avista's 1/3 share of the capital needed to maintain the existing facility and maintain equal ownership status. The purpose of the facility is to allow Avista to serve customers on a peak day, and to purchase natural gas at potentially lower costs during off-peak periods and store that gas for use during high cost periods.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case



Investment Name:	Jackson Prairie Storage	Assessments:	
Requested Amount:	\$1,000,000	Financial:	High - Exceeds 12% CIRR
Duration/Timeframe:	20+ Year Program	Strategic:	Reliability & Capacity
Dept., Area:	Natural Gas Resources	Operational:	Operations require execution to perform at current levels
Owner:	Steve Harper	Business Risk:	ERM Reduction >15
Sponsor:	Jason Thackston	Program Risk:	High certainty around cost, schedule and resources
Category:	Program	Assessment Score:	116
Mandate/Reg. Reference:	n/a	Annual Cost Summary - Increase/(Decrease)	

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Jackson Prairie (JP) Underground Storage Facility stores natural gas. Avista owns this facility as a 1/3 partner with Puget Sound Energy and Williams' Northwest Pipeline. Puget Sound Energy is the managing partner for the facility which is located in Chehalis, WA. The requested capital represents Avista's 1/3 share of the capital needed to maintain the existing facility and maintain equal ownership status. The purpose of the facility is to allow Avista to serve customers on a peak day, and to purchase natural gas at potentially lower costs during off-peak periods and store that gas for use during high cost periods.	describe any incremental changes that this Program would benefit present operations	\$ 1,000,000	\$ -	\$ -	2
		Annual Cost Summary - Increase/(Decrease)			

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
<i>Status Quo :</i>	Not recommended-- Not to fund Avista's 1/3 capital obligation. Failure by Avista to fund its 1/3 capital obligation would dilute Avista's ownership percentage. Voting rights would be diminished and therefore decisions made by other partners would not be in the best interest of Avista or its customers.	n/a	\$ -	\$ -	20
<i>Alternative 1: Brief name of alternative (if applicable)</i>	Recommended -- Support Avista's 1/3 capital obligation. Estimated to be approximately \$1,000,000 per year looking forward. Cost is estimated to be \$539,000 in 2014. Capital needs vary year-to-year, but relate to well, compression, pipe, separator/dehydration, metering and control facilities.	\$ 1,000,000	\$ -	\$ -	2
<i>Alternative 2: Brief name of alternative (if applicable)</i>	Not recommended-- Fund a lesser amount than Avista's 1/3 capital obligation. Voting rights would be diminished and therefore decisions made by other partners would not be in the best interest of Avista or its customers.	\$ -	\$ -	\$ -	2
<i>Alternative 3 Name : Brief name of alternative (if applicable)</i>	Describe other options that were considered	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):				
2012-2016					ER 7201				
	Capital Cost	O&M Cost	Other Costs	Approved					
Previous		\$ -	\$ -	\$ -					
2012	\$ 630,000	\$ -	\$ -	\$ 630,000					
2013	\$ 550,000	\$ -	\$ -	\$ 550,000					
2014	\$ 539,000	\$ -	\$ -	\$ 500,000					
2015	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000					
2016	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000					
2017	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000					
2018	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000					
Future	\$1,000,000/year	\$ -	\$ -	\$ -					
Total	\$ 5,719,000	\$ -	\$ -	\$ 5,680,000					

Mandate Excerpt (if applicable):
 provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:
 While not a mandated project by definition, this Program is not one that can easily be terminated. The use of JP is documented and acknowledged as part of Avista's Integrated Resource Plan.



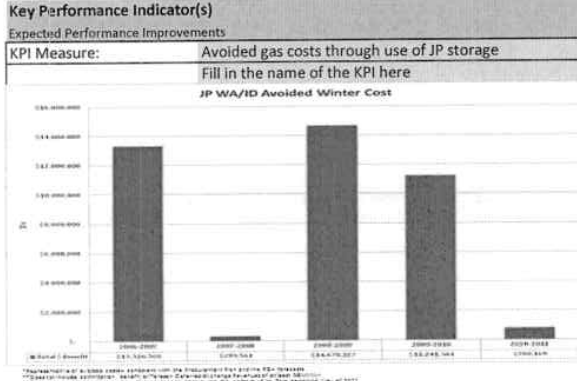
Capital Investment Business Case

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).



Prepared signature Marcus J. Carcione

Reviewed signature _____
 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager

Business Case	ERM Risk Reduction	Status Quo Raw Score	Risk on Completion Raw Score	Status Quo Risk					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
Jackson Prairie Storage	18	20	2	S - > \$10MM	< Once / year	3 - Could result in a sustained negative impact to local, online, or industrial relationships and / or national / global media coverage	< Once / year		
				Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood
						1 - Potential for injury Public health infrastructure impact up to 8 hours	< Once / year		
				Risk upon Completion					
				Financial Impact (Consequential Costs/Revenues)	Likelihood	Legal, Regulatory, External Business Affairs	Likelihood	Customer Service and Reliability (# customers * duration of an outage)	Likelihood
				1 - < \$200k	< Once / 10 years	1 - No likely impact on media or regulatory relationship.	< Once / 50 years		
Environmental	Likelihood	Safety and Health: Public	Likelihood	Safety and Health: Employee	Likelihood				
		1 - Potential for injury Public health infrastructure impact up to 8 hours	< Once / 50 years	1 - Potential for injury	< Once / 50 years				

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Transportation
Business Case Name: CNG Fleet Conversion
ER No: 7127 **ER Name:** CNG Fleet Conversion

Approved Business Case Spend Amount 2013-2016 (\$000s - System): **\$1,300¹**

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	932							232					700
2014	200	8	8	12	14	16	24	24	22	22	18	16	16
2015	200	8	8	12	14	16	24	24	22	22	18	16	16
2016	200	8	8	12	14	16	24	24	22	22	18	16	16

Business Case Description:

Building four CNG refueling stations and converting 119 light duty trucks to CNG over the next seven years. If more vehicles are acquired in the fleet, there is a potential for more CNG to be served from these refueling stations. The refueling stations will be located in Dollar rd., Spokane main campus, Coeur d’ Alene and Klamath Falls. They were constructed in 2012 and 2013. Vehicle conversion will begin in 2012 on 15-20 vehicles per year for the foreseeable future. In addition, the expected life of the refueling stations should provide service to Company vehicles for 20 years, therefore 3 generations of vehicles (average life 7 years).

Offsets²:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

² Included in the alternatives on the CNG Fleet Conversion business case are \$6,625,950 of potential avoided costs for the 20 year project, on a present value basis. These costs are not included in the O&M Offset adjustment as they are based on the potential savings of adding new CNG vehicles vs. adding new gasoline/diesel vehicles.



Capital Investment Business Case

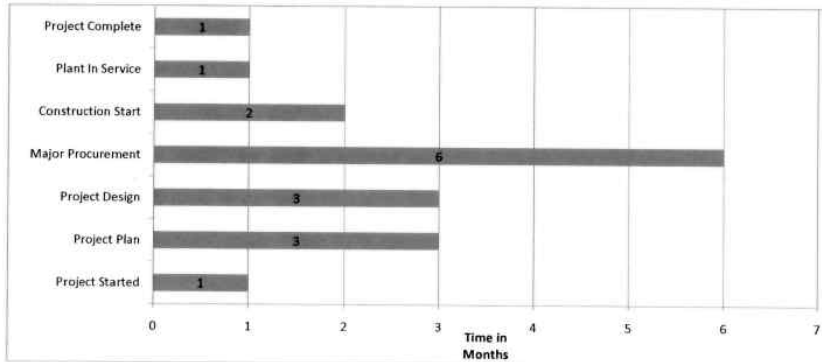
Investment Name:	CNG Fleet Conversion	Assessments:	
Requested Amount	\$4,100,000	Financial:	MH - >= 9% & <12% CIRR
Duration/Timeframe	21 Year Project	Strategic:	Value & Growth
Dept., Area:	Strategic Initiatives	Operational:	Operations improved beyond current levels
Owner:	Ken Boni	Business Risk:	ERM Reduction >0 and <= 5
Sponsor:	Roger Woodworth/Scott Morris	Project/Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Project	Assessment Score:	93
Mandate/Reg. Reference:	n/a		

Recommend Project Description:	Performance	Cost Summary - Increase/(Decrease)			ERM Risk Score
		Capital Cost	O&M Cost	Other Costs	
Building 4 CNG refueling stations and converting 119 light duty trucks to CNG over the next seven years. If more vehicles are acquired in the Fleet, there is a potential for more CNG to be served from these refueling stations. The refueling stations will be located in Dollar rd., Spokane main campus, Coeur d' Alene and Klamath Falls. They will be constructed in 2012 and 2013. Vehicle conversions will begin in 2012 on 15 - 20 vehicles per year for the foreseeable future. In addition, the expected life of the refueling stations should provide service to Company vehicles for 20 years, therefore 3 generations of vehicles (ave life 7	Fuel cost savings, cleaner emissions, possible public access for CNG	\$ 4,100,000	\$ 757,059	\$ -	3

Alternatives:		Performance	Cost Summary - Increase/(Decrease)			ERM Risk Score
Status Quo :	Continued dependence of foreign oil and the use of a high carbon fuel		Capital Cost	O&M Cost	Other Costs	
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	n/a	\$ -	\$ (6,625,950)	\$ -	6
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	3
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Timeline

Construction Cash Flows (CWIP)



	Capital Cost	O&M Cost	Other Costs
Previous	\$ -	\$ -	\$ -
2012	\$ 2,200,000	\$ 16,400	\$ -
2013	\$ 700,000	\$ 27,192	\$ -
2014	\$ 200,000	\$ 28,008	\$ -
2015	\$ 200,000	\$ 28,713	\$ -
2016	\$ 200,000	\$ 30,605	\$ -
2017	\$ 200,000	\$ 31,523	\$ -
2018	\$ 200,000	\$ 32,469	\$ -
Future	\$ 200,000	\$ 562,149	\$ -
Total	\$ 4,100,000	\$ 757,059	\$ -

Milestones (high level targets)

November-11	Project Started	December-12	Plant In Service	mm/dd/yy	open
March-12	Project Plan	December-12	Project Complete	mm/dd/yy	open
June-12	Project Design		open	mm/dd/yy	open
March-12	Major Procurement		open	mm/dd/yy	open
September-12	Construction Start		open	mm/dd/yy	open

Associated Ers (list all applicable):

Current ER						
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Mandate Excerpt (if applicable):

provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:

Optimize our fleet to lower costs and environmental performance and jump start new growth of natural gas as a transportation fuel for our customers. This will ultimately stage new margin for natural gas sales and shareholder value.

Resources Requirements: (request forms and approvals attached)



Capital Investment Business Case

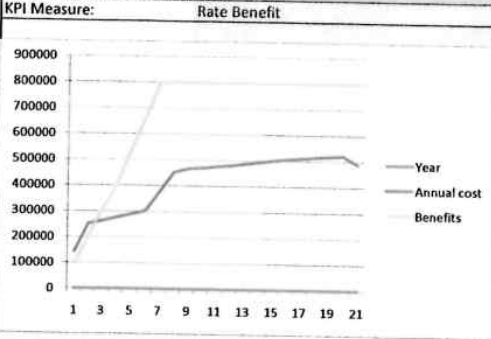
Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)

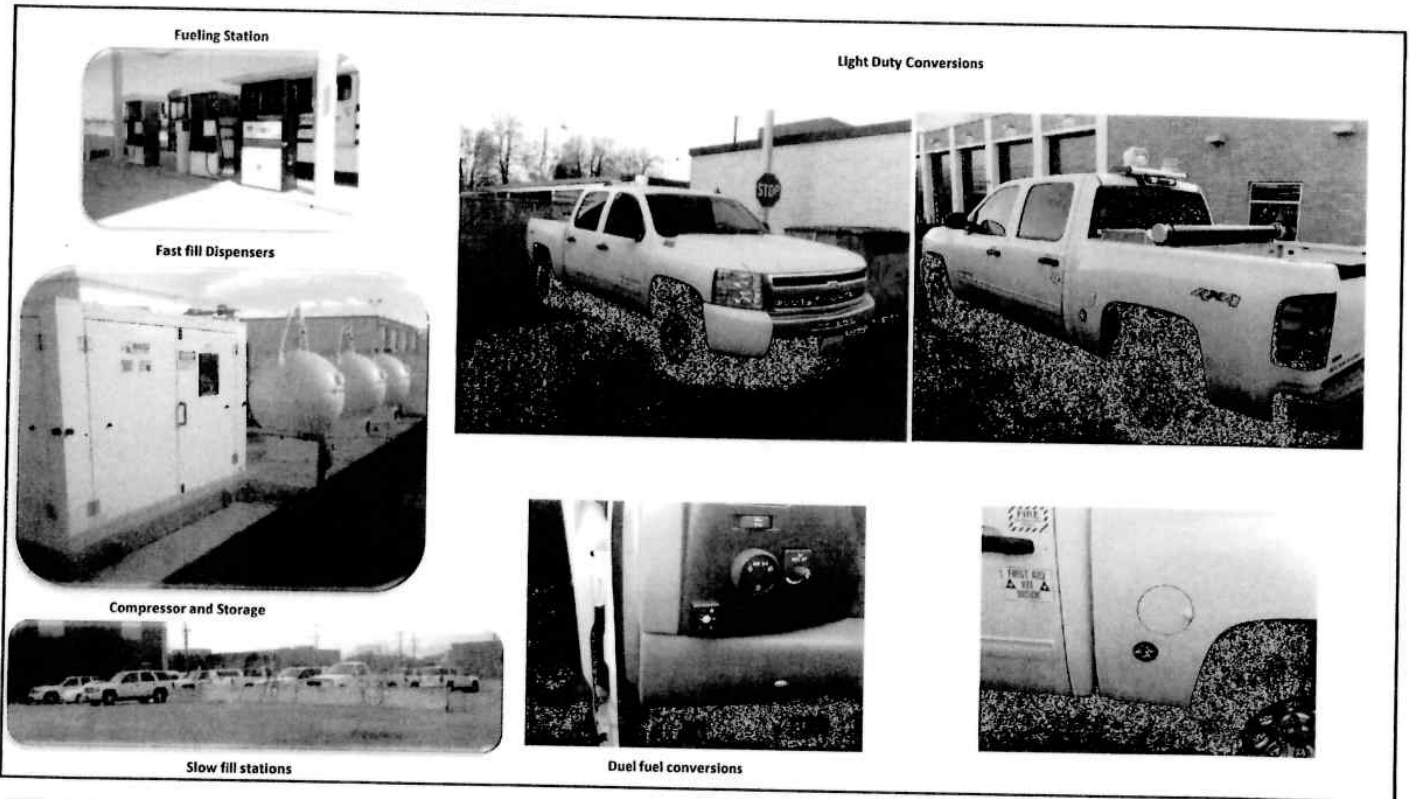
Expected Performance Improvements



Prepared signature [Signature]

Reviewed signature [Signature]
 Director/Manager

Other Party Review signature (if necessary) _____
 Director/Manager



To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Transportation

Business Case Name: Fleet Budget

ER No: ER Name:
7000 Transportation Equip

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$23,564¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	4,287							467	199	1,568	1,084	485	484
2014	5,586	467	465	465	465	465	465	465	467	465	465	465	465
2015	6,500	543	541	541	541	542	541	541	544	541	542	542	541
2016	6,500	543	541	541	541	542	541	541	544	541	542	542	541

Business Case Description:

Fleet utilizes a Vehicle Replacement Model analysis program to determine which vehicles are replaced for the next budget cycle. This program utilizes our internal data regarding equipment utilization, repair costs, purchase costs, disposal costs, and business needs across all classes of equipment. This provides a consistent and level spend to cover all departments effectively. This contributes to the operational readiness for all departments and our Company as a whole. The 5 year projection includes analysis of 19 classes of vehicles in total and the replacement of over 600 assets.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Investment Business Case

Investment Name:	Fleet Budget	Assessments:			
Requested Amount	\$ 5,585,502	Financial:	MH - >= 9% & <12% CIRR		
Duration/Timeframe	5 2014 - 2016	Strategic:	Life Cycle Programs		
Dept., Area:	Fleet	Operational:	Operations require execution to perform at current levels		
Owner:	Al Fisher	Business Risk:	ERM Reduction >0 and <= 5		
Sponsor:	Don Kopczynski	Program Risk:	High certainty around cost, schedule and resources		
Category:	Program	Assessment Score:	84	Annual Cost Summary - Increase/(Decrease)	
Mandate/Reg. Reference:	n/a				
Recommend Program Description:	Fleet utilizes a VRM (Vehicle Replacement Model) analysis program to determine which vehicles get replaced for the next budget cycle. This program utilizes our internal data regarding equipment utilization, repair costs, purchase costs, disposal costs, and business needs across all classes of equipment. This provides a consistent and level spend to cover all departments effectively. This contributes to the operational readiness for all departments and our company as a whole. The 5 year projection includes analysis of 19 classes in total and the replacement of over 600 assets.	Performance	Capital Cost	O&M Cost	Business Risk Score
		Replacing equipment within a lifecycle allows operations to be more effective with less break downs and repairs that are inherent with older vehicles.	\$ 5,585,502	\$ -	3
Alternatives:			Annual Cost Summary - Increase/(Decrease)		
			Capital Cost	O&M Cost	Business Risk Score
Status Quo :	We maintain and repair our equipment at the existing levels utilizing our current life cycle analysis realizing equipment has a useful life range. Using Capital Dollars to help keep O&M costs down.	Equipment remains reliable. No risk to Operations.	\$ 5,585,502	\$ -	0
Reduced Spend	Cut Spend by 50% to focus only on equipment that is at the end of its life cycle, is at the upper end of repair costs, and is difficult to replace with a rental if equipment fails mid-year. This will create less spend on Capital, with an increase in O&M spend.	Less reliable equipment. Risk to operation's commitments.	\$ 2,792,751	\$ 653,568	0
Only replace equipment upon failure.	Continue to maintain and repair equipment, but replace only when repairs are no longer an option. Minimal Capital expenditure with a maximum expenditure on O&M.	Unreliable equipment, failed commitments and schedules by Operations, ultimately	\$ -	\$ 1,307,136	9
			\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):				
2012-2016					Current ER				
	Capital Cost	O&M Cost	Other Costs	Approved					
Previous	\$ 9,468,000	\$ -	\$ -	\$ 9,468,000					
2012	\$ 7,673,715	\$ -	\$ -	\$ 7,673,715					
2013	\$ 6,639,045	\$ -	\$ -	\$ 4,978,945					
2014	\$ 7,595,175	\$ -	\$ -	\$ 5,585,502					
2015	\$ 8,160,495	\$ -	\$ -	\$ 6,500,000					
2016	\$ 8,790,915	\$ -	\$ -	\$ 6,500,000					
2017	\$ -	\$ -	\$ -	\$ 6,500,000					
2018	\$ -	\$ -	\$ -	\$ 6,500,000					
Future	\$ -	\$ -	\$ -	\$ -					
Total	\$ 48,327,345	\$ -	\$ -	\$ 44,238,162					

Mandate Excerpt (if applicable):
 The Federal Motor Carrier Safety Administration (FMCSA), Department of Transportation (DOT), American National Standards Institute (ANSI), Occupational Safety and Health Administration (OS

Additional Justifications:
 With the implementation of FMCSA's Compliance, Safety, Accountability (CSA) program, there is a concentrated effort from the Federal Government along with State Agencies to crack down on faulty equipment and organization's failure to educate drivers and maintain their Fleets. This is now being carried out by an increased number of roadside inspections along with weigh station inspections to gather data on companies and help them figure out who the biggest offenders are and penalize them with fines. The increased inspections are resulting in scorecards that go along with companies and the higher the score the worse off the company is.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: <input type="checkbox"/> Low Probability <input type="checkbox"/> Medium Probability <input checked="" type="checkbox"/> High Probability	Enterprise Tech: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required
Contract Labor: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Facilities: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required
	Capital Tools: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required
	Fleet: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general



Capital Investment Business Case

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure: Vehicle Availability

sense of how likely staff will be provided (this does not require a firm commitment).

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Director/Manager

Other Party Review signature
(if necessary)

Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Program

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Enterprise Technology

Business Case Name: AvistaUtilities.com Redesign

ER No: 5143
ER Name: AU.com & AVANet Redevelopment

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$1,539¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	1,000												1,000
2014	1,538												1,538
2015	240									240			
2016													

Business Case Description:

Refresh of the AvistaUtilities.com website to improve navigation, updating the look and feel of the overall site, creating a new homepage layout, and improving self-service and search functionality for customers. Since 2008, web usage on the AvistaUtilities.com site has increased by more than 55% and usability standards have since then changed to incorporate the emergence of mobile app technologies. The refresh includes improved functionality to allow for more customer self-serve use on our website.

Offsets:

\$100,000 of additional O&M costs are included with this business case which negate the \$100,000 of O&M savings (see signed business case under “Other Costs.”) These savings are related to reduction in labor due to efficiencies gained by customers being able to navigate the website effectively. No offset has been included in the O&M Offset adjustment for this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case



Investment Name:	AvistaUtilities.com Redesign	Assessments:	
Requested Amount	\$1,500,000	Financial:	7.00%
Duration/Timeframe	3 Year Project	Strategic:	Customer Experience
Dept., Area:	Customer Solutions	Business Risk:	Business Risk Reduction >5 and <= 10
Owner:	Dana Anderson, Jim Corder	Project Risk:	Moderate certainty around cost, schedule and resources
Sponsor:	Dana Anderson, Jim Kensok	Assessment Score:	77
Category:	Project		
Mandate/Reg. Reference:	n/a		

Recommend Project Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
See Attached Project Charters.	Improved usability for customers and improved capability for information sharing and delivery to increase overall employee engagement	\$ 1,000,000	\$ 500,000	\$ -	0

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project: Not consistent with industry and web best practices. 14% of customers are currently unable to complete transactions on the web and of those that can consistent feedback indicates that transactional tasks are time consuming and sometimes unusable.	n/a	\$ -	\$ -	\$ -	0
Alternative 1: Brief name of alternative (if applicable) Redesign of AvistaUtilities.com	Improved usability, capability and new technology	\$ 1,000,000	\$ 500,000	\$ -	0
Alternative 2: Brief name of alternative (if applicable)		\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)		\$ -	\$ -	\$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 10,452	\$ -	\$ -	\$ 10,452
2013	\$ 1,000,000	\$ 100,000	\$ (50,000)	\$ 419,000
2014	\$ 500,000	\$ 100,000	\$ (100,000)	\$ 940,000
2015	\$ -	\$ 100,000	\$ (100,000)	\$ 180,000
2016	\$ -	\$ 100,000	\$ (100,000)	\$ -
2017	\$ -	\$ 100,000	\$ (100,000)	\$ -
Total	\$ 1,500,000	\$ 500,000	\$ (450,000)	\$ 1,549,452

Associated Ers (list all applicable):

New

ER	2013	2014	2015	2016	2017	Total	Mandate Excerpt (if applicable):
New	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	provide brief citation of the law or regulation and a reference number if possible
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Additional Justifications: 1. The benefits are defined in the attached charter. In general they relate to a redesigned site for improved usability for customers as well as improved tools for employee information. 2. This project supports the Customer Engagement strategy by improving the website to better serve customers. 3. This Project supports the Employee strategy by improving capability for delivering information to employees.

Milestones (high level targets)

September-12	Project Start	January-00	open	January-00	open
January-13	Phase 0 Complete	January-00	open	January-00	open
April-13	Phase 1 Complete	January-00	open	January-00	open
August-13	Phase 2 Complete	January-00	open	January-00	open
February-14	Phase 3 Complete	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open

Milestones should be general. Use your judgement on project progress so that progress can



Capital Program Business Case

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

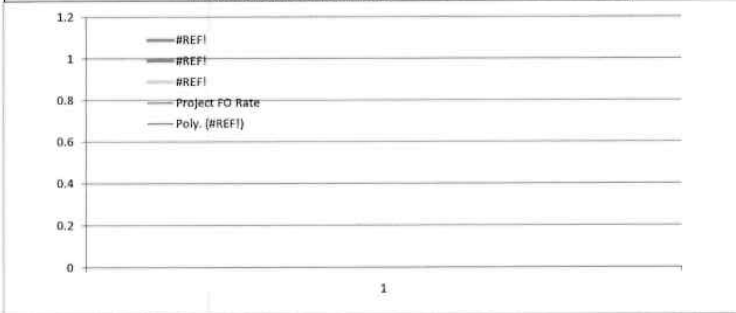
Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required

Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure: Fill in the name of the KPI here
 Fill in the name of the KPI here



Prepared signature _____

Reviewed signature Sara Anderson
 Director/Manager

Other Party Review signature JBl
 (if necessary) Director/Manager

Attachment 1: Project Charter
 Attachment 2: Charter Addendum for AU.com
 Attachment 2: Charter Addendum for AVAnet

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Enterprise Technology

Business Case Name: Enterprise Business Continuity Plan

ER No: ER Name:

5010 Enterprise Business Continuity

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$1,864¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	339										218		121
2014	482			120			120			120			120
2015	450			112			112			112			112
2016	450			112			112			112			112

Business Case Description:

Avista has developed an Enterprise Business Continuity Plan (“EBCP”) to facilitate emergency response and business continuity activities in fulfillment of our mission to provide safe and reliable service to our customers. The program supports the Enterprise Business Continuity objectives by providing an all-hazards framework for emergency response, technology recovery, alternate facilities and business continuity activities. The program provides communications, escalation and operational procedures necessary for efficient response to events.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Enterprise Business Continuity Plan	Assessments:	
Requested Amount	\$385,000	Financial:	High - Exceeds 12% CIRR
Duration/Timeframe	5 Year Program	Strategic:	Other
Dept., Area:	Enterprise Technology	Operational:	Operations improved beyond current levels
Owner:	Clay Storey/Jim Corder	Business Risk:	ERM Reduction >10 and <= 15
Sponsor:	Jim Kensok	Program Risk:	High certainty around cost, schedule and resources
Category:	Program	Assessment Score:	106
Mandate/Reg. Reference:	n/a	Annual Cost Summary - Increase/(Decrease)	

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Avista has developed an Enterprise Business Continuity Plan (EBCP) to facilitate emergency response and business continuity activities in fulfillment of our mission. The program supports the Enterprise Business Continuity objectives by providing an all-hazards framework for emergency response, technology recovery, alternate facilities and business continuity activities. The program provides communications, escalation and operational procedures necessary for efficient response to events. See "Additional Justifications" for more information.	This is a risk mitigation program	\$ 482,000	\$ 498,755		4

Alternatives:		Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
Unfunded Program:	Without this program the company's ability to prepare for and respond to emergency event will be diminished. This will have the effect of creating longer delays in the restoration of business services for our customer and shareholders, potentially even action by the utility commission against Avista.	n/a	\$ -	\$ -	\$ -	25
Alternative 1: Brief name of alternative (if applicable)	Avista has developed an Enterprise Business Continuity Plan (EBCP) to facilitate emergency response and business continuity activities in fulfillment of our mission. The program supports the Enterprise Business Continuity objectives by	This is a risk mitigation program	\$ 482,000	\$ 498,755	\$ -	4
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):				
5 years of costs					5010				
	Capital Cost	O&M Cost	Other Costs	Approved					
2012	\$ 482,000	\$ 488,838	\$ -	\$ 482,000					
2013	\$ 600,000	\$ 549,558	\$ -	\$ 482,000					
2014	\$ 600,000	\$ 610,278	\$ -	\$ 482,000					
2015	\$ 450,000	\$ 655,818	\$ -	\$ 450,000					
2016	\$ 450,000	\$ 701,358	\$ -	\$ 450,000					
2017	\$ 450,000	\$ 746,898	\$ -	\$ 450,000					
2018	\$ 450,000	\$ 792,438	\$ -	\$ 450,000					
Total	\$ 3,482,000	\$ 4,545,186	\$ -	\$ 3,246,000					

Mandate Excerpt (if applicable):
 n/a

Additional Justifications:
 Support of the Enterprise Business Continuity Plan mitigates risk and minimizes the impact on the shareholders, customers, employees, and the community during and following an incident requiring activation of the EBCP. Through the development and maintenance of standardized mission critical plans and comprehensive alternate facilities planning, exercises and testing, the response, recovery and restoration efforts are synchronized, which in turn, lowers the risk of direct, indirect, tangible or intangible losses. Through on-going development, maintenance, review, and testing of the critical alternate operating procedures in support of critical business processes, process and procedure gaps are identified. This process will ensure the readiness of systems, procedures, processes, and people during emergency operations and provide an environment of constant improvement.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input checked="" type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input checked="" type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).



Capital Program Business Case

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here

Prepared signature _____

Reviewed signature _____

Clay Tracy
 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager

J. Bluh
 Director/Manager

The Program is planned to include the following Projects in the next 5 years:

1. Enterprise Business Continuity management software
2. Alternate facilities infrastructure
3. Includes AFM/OMT in Disaster Recovery
4. Includes Mobile Dispatch in Disaster Recovery
5. Includes AMR systems(Fixed network, AutoSOI, MV90, others) in Disaster Recovery
6. Filesystem expansion in Disaster Recovery

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Enterprise Technology

Business Case Name: Mobility in the Field

ER No: ER Name:

5144 Mobility in the Field

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$1,410¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	113												113
2014	690			172			172			172			172
2015	420			105			105			105			105
2016	320			80			80			80			80

Business Case Description:

This program is to increase the Company's mobility in the field using mobile devices. A Mobile Road Map Team has documented 30 opportunities where mobile technology could be used in the field. The top opportunities, with the highest benefit and savings, are included over the five-year program. The first phase is the project called "Visibility in the Field", which will assist in Leak Survey and Gas Service Dispatch by providing spatial maps in the field using a mobile device.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Mobility in the Field	Assessments:	
Requested Amount	\$200,000	Financial:	MH - >= 9% & <12% CIRR
Duration/Timeframe	5 Year Program	Strategic:	Agile Technology Platforms
Dept., Area:	Energy Delivery	Operational:	Operations improved beyond current levels
Owner:	Heather Rosentrater & Mike Broemeling	Business Risk:	ERM Reduction >0 and <= 5
Sponsor:	Don Kopczynski & Jim Kensok	Program Risk:	High certainty around cost, schedule and resources
Category:	Program	Assessment Score:	83
Mandate/Reg. Reference:	n/a	Annual Cost Summary - Increase/(Decrease)	

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
This program is to increase our mobility in the field using mobile devices. A Mobile Road Map Team has documented 30 opportunities where mobile technology could be used in the field. The top opportunities, with the highest benefit and savings, are included over the five year program. Additional mobile opportunities will continue to emerge, therefore a Mobility Program is requested. The Customer IRR (CIRR) at 9% per Dave DeFelice. Opportunities will be done in phases over the 5 years. The first phase will be for the project called Visibility in the Field which enables the following: 1. Leak Survey 2. Gas Service Dispatch This would provide spatial maps in the field, using a mobile device resulting in efficiency gained for our field employees. Our customer will benefit with these new capabilities and efficiencies. The benefits would include operations improvements to reduce compliance risk, reduce duplicate effort, more timely entry of data along with improved tools and information in the field. The top opportunities are 1. View GIS Layers and Multiple Maps in the Field (in 2013) 2. Gas Exposed Pipe Report (in 2014) 3. Capture Facility Data (in 2015) 4. Provide Gas Blue Leak Survey Form (in 2013) 5. Damage Assessment (OMT) (in 2016).	ArcGIS Online will allow us to share information with web maps. This will increase collaboration with internal employees and external contractors and partners. This supports our strategic goals for agile technology.	\$ 200,000			2
Annual Cost Summary - Increase/(Decrease)					

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Unfunded Program: Maps are printed and taken out to the field; Paper process to gather information in the field and then enter the data into electronic format once in the office; If a Serviceman does have a Go-Book then both the electronic entry is done along with the paper process as a backup; Information is relayed by	n/a	\$ -	\$ -	\$ -	3
Alternative 1: Add ArcGIS Server with tablet mobile devices	Either establish an ELA with Esri or purchasing licenses individually, installation of servers and ArcGIS Server application, establish governance, hire one FTE for AFM Team, deploy approximately 180 mobile devices, user testing, process changes and training. Mobile devices deployed would	\$ 150,000			2
Alternative 2: Add ArcGIS Server with Mesa devices	Mobile devices deployed as a Mesa.	\$4,000 per device estimate			0
Alternative 3 Name : Add ArcGIS Server with Go-Book devices	Mobile devices deployed as a Go-Book.	\$10,000 per device estimate			0

Program Cash Flows					Associated Ers (list all applicable):				
5 years of costs					Current ER				
	Capital Cost	O&M Cost	Other Costs	Approved					
2012				\$ -					
2013	\$ 200,000			\$ 100,000					
2014	\$ 320,000	\$ 126,000	\$ (200,000)	\$ 570,000					
2015	\$ 420,000	\$ 300,000	\$ (392,000)	\$ 420,000					
2016	\$ 320,000	\$ 350,000	\$ (425,000)	\$ 320,000					
2017	\$ 400,000	\$ 400,000	\$ (472,000)	\$ -					
2018	\$ -	\$ -	\$ -	\$ -					
Total	\$ 1,660,000	\$ 1,176,000	\$ (1,489,000)	\$ 1,410,000					

Mandate Excerpt (if applicable):
 provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:
 The hardware and software technology is advancing in such a manner that it will now benefit our field personnel to have a Mobility in the Field Program. We now have less expensive mobile devices to deploy along with a disconnected application for our field workers to be able to work offline and synch information back and forth when connection is successful to wi-fi or cellular. Advances in technology are making mobile capabilities more of a standard in doing business. Our field workers need to have the tools that make them more efficient in their work processes, able to post data quickly and have more information to ultimately benefit our customers.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability Enterprise Tech: YES - attach form NO or Not Required

YES

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the



Capital Program Business Case

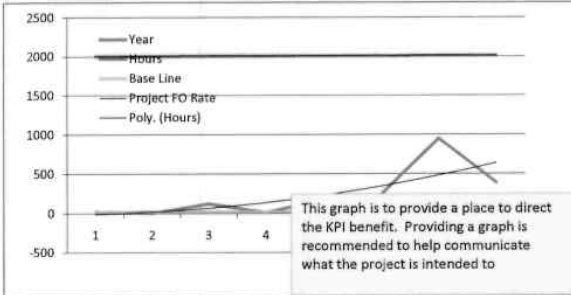
Contract Labor: Low Probability Medium Probability High Probability
 YES NO

Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)

Expected Performance Improvements
 KPI Measure: To be determined by each project
Fill in the name of the KPI here



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Reviewed signature Director/Manager

Other Party Review signature Director/Manager
 (if necessary)

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Program

To be completed by Capital Planning Group		
Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Enterprise Technology

Business Case Name: Technology Refresh to Sustain Business Process

ER No: 5005
ER Name: Information Technology Refresh Program

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$63,698¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	10,919							2,860	2,226	1,285	1,404	1,245	1,899
2014	13,862	122	122	2,721	122	122	3,721	122	122	2,721	122	122	3,721
2015	19,362	565	565	2,985	565	565	3,985	565	565	2,985	565	565	4,889
2016	19,362	1,032	876	2,361	893	915	3,342	873	860	2,304	861	822	4,222

Business Case Description:

This program is in place to provide for technology refresh in alignment with the roadmaps for application and technology lifecycles. The continuation of technology refresh programs provides benefit to Avista by providing a stable and reliable application and computing platform to allow for the safe and reliable operation of our electric and gas infrastructure.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case



Investment Name:	Technology Refresh to Sustain Business Process	Assessments:				
Requested Amount	\$10,019,774	Financial:	Medium - >= 5% & <9% CIRR			
Duration/Timeframe	10 Year Program	Strategic:	Life Cycle Programs			
Dept., Area:	IS/IT	Operational:	Operations require execution to perform at current levels			
Owner:	Jacob Reid/Jim Corder	Business Risk:	ERM Reduction >5 and <= 10			
Sponsor:	Jim Kensok	Program Risk:	High certainty around cost, schedule and resources			
Category:	Program	Assessment Score:	89	Annual Cost Summary - Increase/(Decrease)		
Mandate/Reg. Reference:	n/a					
Recommend Program Description:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program is in place to provide for technology refresh in alignment with the roadmaps for application and technology lifecycles. The continuation of technology refresh programs provides benefit to Avista by providing a stable and reliable application and computing platform to allow for the safe and reliable operation of our electric and gas infrastructures.		This program provides for current technologies for the normal operation of the business	\$ 10,019,774		\$ -	15
		Annual Cost Summary - Increase/(Decrease)				
Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Not doing this program will result in four major impacts: 1) Reduction of 62 staff members with key institutional knowledge 2) Decrease in business process efficiency 3) increase in O&M labor to support the technology 4) increase technology outages impacting the operations of the business.	The performance of the computing technology at	\$ -		\$ 1,895,751	20
Technology Refresh Programs	This program is in place to provide for technology refresh in alignment with the roadmaps for application and technology lifecycles. The continuation of technology refresh programs provides benefit to Avista by providing a stable and reliable application and computing platform to allow for the safe and reliable operation of our electric and gas infrastructures.	This program provides for current technologies for the normal	\$ 10,019,774	\$ -	\$ -	15
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):				
5 years of costs					5005	5007			
	Capital Cost	O&M Cost	Other Costs	Approved	5024	5008			
	\$ 9,973,758	\$ -	\$ -	\$ 9,973,758	5128	5009			
2013	\$ 10,019,774	\$ -	\$ -	\$ 11,110,491	5131				
2014	\$ 12,129,043	\$ -	\$ -	\$ 13,862,243					
2015	\$ 13,949,536	\$ -	\$ -	\$ 19,362,243					
2016	\$ 17,183,753	\$ -	\$ -	\$ 19,362,243					
2017	\$ 19,031,035	\$ -	\$ -	\$ 19,362,243					
2018	\$ -	\$ -	\$ -	\$ 19,362,243					
Total	\$ 72,313,141	\$ -	\$ -	\$ 112,395,464					

Mandate Excerpt (if applicable):
 provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:
 Technology refresh program costs increase year over year to two main reasons. The first is because of the continuous technological evolution which causes obsolescence. Manufacturers continue to upgrade and improve their systems to provide improved performance and function. This in turn requires companies to replace system on a periodic basis to maintain reliability and functionality. The second main reason is due to the addition of new hardware and software to support new business requirements and growth. New equipment purchased under Technology Expansion Program will have to be refreshed in 3-5 years adding to the refresh budget. For example, infrastructure refresh costs the increase from year to year due to prior years spend in Technology Expansion, roughly \$800k in Distributed Systems and \$500k in Network Systems per year. Business Application Expansion is up between 2011 & 2012 because of the inclusion of some small to medium projects into the expansion program.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input checked="" type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input checked="" type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required	
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	



Capital Program Business Case

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here

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Reviewed signature 
 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Program

To be completed by Capital Planning Group			
Rationale for decision	Review Cycles		
	2012-2016		
	Date	Template	

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Enterprise Technology

Business Case Name: Customer Service System Replacement (Project Compass)

ER No: ER Name:
5138 Customer Information System (CIS) Replacement

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$78,963¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	9,184										8,074	1,110	
2014	67,341									67,341			
2015													
2016													

Business Case Description:

The Customer Information System (CIS) will be implemented in two waves. The first wave includes the Maximo application in the Company’s areas of Generation, Production, and Substation Support. This wave has an estimated go-live date or transfer to plant date of September 2013. The second wave, includes Maximo application in the Company’s areas of Transmission, Distribution, and Gas Operations, as well as the Customer Care and Billing application. This large technology project is described in detail in the testimony of Mr. Kensok.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Enterprise Technology

Business Case Name: Enterprise Security

ER No: ER Name:

5002 Security Initiative

5014 Security Systems

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$8,165¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	1,530							176	27	944	37		346
2014	2,183			455			518			545			665
2015	2,185			546			546			546			546
2016	2,186			455			517			545			670

Business Case Description:

This program is to maintain and improve all security aspects to protect people, assets, information & operations through projects, activities and polices. It will also manage the number of security incidents at level that aligns with our corporate risk expectations. Additionally it will increase the culture of security through education and training.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Enterprise Security	Assessments:	
Requested Amount	\$1,836,932	Financial:	12%
Duration/Timeframe	10 Year Program	Strategic:	Agile Technology Platforms
Dept., Area:	Enterprise Technology	Business Risk:	Business Risk Reduction >5 and <= 10
Owner:	Clay Storey/Jim Corder	Program Risk:	High certainty around cost, schedule and resources
Sponsor:	Jim Kensok	Assessment Score:	92
Category:	Program	Annual Cost Summary - Increase/(Decrease)	
Mandate/Reg. Reference:	n/a	Performance	Capital Cost

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program is to maintain and improve all security aspects to protect people, assets, information & operations through projects, activities and polices. It will also manage the number of security incidents at level that aligns with our corporate risk expectations. Additionally it will increase the culture of security through education and training.		\$ 1,836,932	\$ -	\$ -	9

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Address issues related to violations of the security and compliance as they arise and pay fines as there are assessed.	The risk of security incidents increases		\$ -	\$ 5,000,000	15
Alternative 1: Brief name of alternative (if applicable)	This program is to maintain and improve all security aspects to protect people, assets, information & operations through projects, activities and polices. It will also manage the number of security incidents at level that aligns with our corporate risk expectations. Additionally it will increase the culture of security through education and training.	Decreases the likelihood or severity of security incidents	\$ 1,836,932	\$ -	\$ -	9
Alternative 2: Brief name of alternative (if applicable)			\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)			\$ -	\$ -	\$ -	0

Program Cash Flows					
	Capital Cost	O&M Cost	Other Costs	Approved	
Previous	\$ 1,885,000	\$ -	\$ -	\$ 1,885,000	
2013	\$ 1,885,000	\$ -	\$ -	\$ 1,610,000	
2014	\$ 1,885,000	\$ -	\$ -	\$ 2,185,000	
2015	\$ 1,885,000	\$ -	\$ -	\$ 2,185,000	
2016	\$ 1,885,000	\$ -	\$ -	\$ 2,185,000	
2017	\$ 1,885,000	\$ -	\$ -	\$ 2,185,000	
2018	\$ -	\$ -	\$ -	\$ 2,185,000	
Total	\$ 9,425,000	\$ -	\$ -	\$ 10,350,000	

Associated Ers (list all applicable):			
From 5014			

ER	2013	2014	2015	2016	2017	Total
						\$ -
						\$ -
						\$ -
5014	\$ 1,885,000	\$ 1,885,000	\$ 1,885,000	\$ 1,885,000	\$ 1,885,000	\$ 9,425,000
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 1,885,000	\$ 1,885,000	\$ 1,885,000	\$ 1,885,000	\$ 1,885,000	\$ 9,425,000

Mandate Excerpt (if applicable):
 The program is not mandatory however project under the scope of this business case may be mandatory base on their specific requirements.

Additional Justifications:
 2012 Budget Note: This program is being fund by a reduction in the Technology Refresh and Technology Expansion business cases, for \$565k and \$820k respectively. And \$500,000 from Security Initiative Business Case (ERS002).

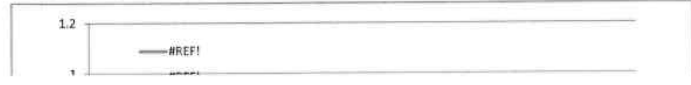
Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO
 Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

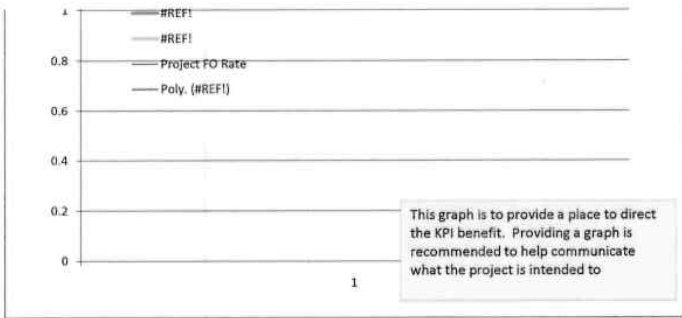
Key Performance Indicator(s)
 Expected Performance Improvements
 KPI Measure: Fill in the name of the KPI here
 Fill in the name of the KPI here

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Capital Program Business Case



Reviewed signature *Chay Storey*
 Director/Manager

Other Party Review signature *[Signature]*
 (if necessary) Director/Manager

2013 Projects

- Certificate Management
- CVA expansion to SCADA and GCN
- Data loss prevention software and Data classification standards
- Email Encryption
- File Integrity Monitoring
- Network Access Control Phase 1
- Network Device Config Analysis Automation
- Network IPS Expansion
- Security monitoring expansion to GCC and SCADA (QRadar)
- Two factor authentication

2015 Projects

- PKI Refresh
- CVA Hardware Refresh
- Web Services Security (O&M)
- Disk Encryption Refresh
- Network Device Config Analysis Refresh
- McAfee NSM & NIPS Refresh
- Malware Detection Appliance Refresh (FireEye)
- Limitation and Control of Network Ports, Protocols, and Services
- Configuration management tool
- Boundary Defense
- Application SW-Secure config
- Account Monitoring and Control
- HR Systems Integration w/Active Directory

2014 Projects

- SIEM & Qflow Refresh
- Controlled Access based on need to know
- SSPWR Internet Access
- Iron Security Appliances (SGDP) Refresh
- Asset management - Authorized & Unauthorized SW
- Identity Management Solution
- Controlled Use of Admin Privileges
- Password Vault

2016 Projects

- Asset mgmt/Auth & Unauth Devices Refresh
- Password Vault Refresh
- Network Access Control Refresh
- Identity Management Refresh
- Enterprise Reduced Sign-On
- Controlled Access based on need to know-Refresh

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Enterprise Technology

Business Case Name: Technology Expansion to Enable Business Process

ER No: ER Name:

5006 Information Technology Expansion Program

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$21,543¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	3,311							629	446	425	343	296	1,171
2014	3,836	175	175	608	175	175	608	175	175	608	175	175	608
2015	5,799	271	271	909	271	271	909	271	271	909	271	271	909
2016	6,060	155	195	1,032	363	271	1,027	286	334	998	224	140	1,034

Business Case Description:

This program facilitates the technology growth throughout the Company. This includes technology expansion for the entire workforce, business process automation and increases in technology to support efficient business processes.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case



Investment Name:	Technology Expansion to Enable Business Pro			
Requested Amount	\$7,675,945	Assessments:		
Duration/Timeframe	10 Year Program	Financial:	7.00%	
Dept., Area:	Enterprise Technology	Strategic:	Agile Technology Platforms	
Owner:	Jacob Reidt/Jim Corder	Business Risk:	Business Risk Reduction >5 and <= 10	
Sponsor:	Jim Kensok	Program Risk:	High certainty around cost, schedule and resources	
Category:	Program	Assessment Score:	81	Annual Cost Summary - Increase/(Decrease)
Mandate/Reg. Reference:	n/a			
Recommend Program Description:		Performance	Capital Cost	O&M Cost
This program facilitates the technology growth throughout the company. This includes technology expansion for the entire workforce, business process automation and increases in technology to support efficient business processes.			\$ 7,675,945	\$ -
				Other Costs
				\$ -
				Business Risk Score
				5

		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Alternatives:						
Unfunded Program:	Without funding this program will not be able to deliver technology assets and application enhancement to provide for growth of the technology base or improvements to in-house developed applications. A consequence of not funding this program will be the loss of 20+ application FTE's who possess business knowledge that is not quickly or easily replaced.	n/a	\$ -	\$ -	\$ -	15
Alternative 1: Brief name of alternative (if applicable)	This program facilitates the technology growth throughout the company. This includes technology expansion for the entire workforce, business process automation and increases in technology to support efficient business processes.		\$ 7,675,945	\$ -	\$ -	5
Alternative 2: Brief name of alternative (if applicable)			\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)			\$ -	\$ -	\$ -	0

Program Cash Flows					
	Capital Cost	O&M Cost	Other Costs	Approved	
Previous	\$ 7,792,700	\$ -	\$ -	\$ 7,792,700	
2013	\$ 7,675,945	\$ -	\$ -	\$ 5,848,113	
2014	\$ 7,835,572	\$ -	\$ -	\$ 3,835,572	
2015	\$ 8,083,991	\$ -	\$ -	\$ 5,799,088	
2016	\$ 7,559,940	\$ -	\$ -	\$ 6,059,940	
2017	\$ 8,330,445	\$ -	\$ -	\$ 6,830,445	
2018	\$ -	\$ -	\$ -	\$ 8,496,234	
Total	\$ 39,485,893	\$ -	\$ -	\$ 36,869,392	

Associated Ers (list all applicable):

5006		
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amounts same as 2012 less 820k moved to new Enterprise Security business case

ER	2013	2014	2015	2016	2017	Total
5006	\$ 7,675,945	\$ 7,835,572	\$ 8,083,991	\$ 7,559,940	\$ 8,330,445	\$ 39,485,893
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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Total	\$ 7,675,945	\$ 7,835,572	\$ 8,083,991	\$ 7,559,940	\$ 8,330,445	\$ 39,485,893

Mandate Excerpt (if applicable):
na

Additional Justifications:

Technology Expansion is being reduced in 2012 because the security specific items are being moved to an Enterprise Security business case. The CIRR for this business case is an approximation because the items in this business case are so interconnected with other department's initiatives it is very difficult to calculate.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input checked="" type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input checked="" type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required
Contract Labor:	<input type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input checked="" type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

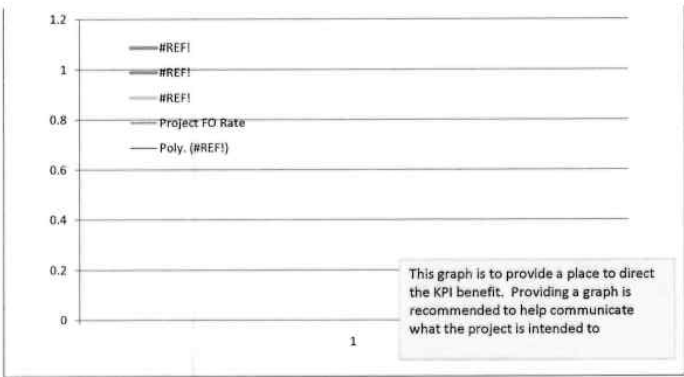
Key Performance Indicator(s)

Expected Performance Improvements	
KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here

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Capital Program Business Case



Reviewed signature _____
 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager

Please see attachment for descriptions of the work completed under this program.

To be completed by Capital Planning Group		Review Cycles	
Rationale for decision	2012-2016		
	Date	Template	

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Enterprise Technology

Business Case Name: RTCCS Refresh

ER No: ER Name:

5119 Moducom Repl(RTCCS)

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$22¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	-3							-6	3				
2014													
2015													
2016													

Business Case Description:

Replace the current Moducom Radio Telecom Command and Control System (RTCCS) with a newer system which is also compatible with the radio equipment that will be used in conjunction with the Next Generation Radio Project. These are currently in use Distribution Dispatch; SO; Generation Control Center; Noxon and Cabinet Gorge Clarkfork HED; Credit Dispatch; Wholesale Marketing.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case



Investment Name:	Project Name	Assessments:	
Requested Amount	Estimated Total Capital Expenditure	Financial:	MH - >= 9% & <12% CIRR
Duration/Timeframe	no. years Year Project	Strategic:	Agile Technology Platforms
Dept., Area:	Department	Operational:	Operations improved beyond current levels
Owner:	Typically Director	Business Risk:	ERM Reduction >0 and <= 5
Sponsor:	Typically Executive Officer	Project/Program Risk:	High certainty around cost, schedule and resources
Category:	Project	Assessment Score:	100
Mandate/Reg. Reference:	n/a	Cost Summary - Increase/(Decrease)	

Recommend Project Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Replace the current Moducum Radio Telecom Command and Control System (RTCCS) with a newer system which is also compatible with the radio equipment that will be used in conjunction with the Next Generation Radio Project. These are currently in use Distribution Dispatch; SO; Generation Control Center; Noxon and Cabinet Gorge Clarkfork HED; Credit Dispatch; Wholesale Marketing.	describe any incremental changes that this project would benefit present operations	\$ -	\$ -	\$ -	6
		Cost Summary - Increase/(Decrease)			

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
<i>Status Quo :</i> Describe the current condition of the asset(s) and problems that need to be corrected	n/a	\$ -	\$ -	\$ -	10
<i>Alternative 1: Brief name of alternative (if applicable)</i> Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	6
<i>Alternative 2: Brief name of alternative (if applicable)</i> Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
<i>Alternative 3 Name : Brief name of alternative (if applicable)</i> Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Timeline Construction Cash Flows (CWIP)

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 1,165,244	\$ -	\$ -	\$ 1,165,244
2012	\$ 2,618,156	\$ -	\$ -	\$ 2,618,156
2013	\$ 21,600	\$ -	\$ -	\$ 21,600
2014	\$ -	\$ -	\$ -	\$ -
2015	\$ -	\$ -	\$ -	\$ -
2016	\$ -	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -	\$ -
Future	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,805,000	\$ -	\$ -	\$ 3,805,000

Rebaselined after completion of Design & Planning

Milestones (high level targets)			
January-11	Project Started	January-13	Project Complete
December-11	Year End		
March-12	Design & Planning Complete		
December-12	Execution Complete		
January-13	Warrenty & Closeout Complete		
January-13	Project Complete		

Associated Ers (list all applicable):	5119						
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Mandate Excerpt (if applicable):	na
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Additional Justifications:	
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Capital Investment Business Case

Resources Requirements: *(request forms and approvals attached)*

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required
Contract Labor:	<input type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure: Fill in the name of the KPI here

KPI Measure: Fill in the name of the KPI here

This graph is to provide a place to direct the KPI benefit. Providing a graph is recommended to help communicate what the project is intended to

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Reviewed signature
 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the project

To be completed by Capital Planning Group															
Rationale for decision	Review Cycles														
		2012-2016													
	<table border="1"> <thead> <tr> <th>Date</th> <th>Template</th> </tr> </thead> <tbody> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> <tr><td> </td><td> </td></tr> </tbody> </table>	Date	Template												
Date	Template														

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Enterprise Technology
Business Case Name: High Voltage Protection for Substations

ER No: 5142 **ER Name:** High Voltage Protection Upgrade

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$2,131¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	1,457									904	28	525	
2014	2,014			144	136	178	154	138	161	304	166	154	478
2015	320			80			80			80			80
2016	320												320

Business Case Description:

High Voltage Protection to personnel and telecommunication equipment by fiber integration, demark relocation, & equipment remediation at suburban and rural substations.

Offsets:

The O&M Offsets adjustment includes offsets 2013 and 2014 of \$9,650 (\$6,273 Washington) and \$15,900 (\$10,336 Washington) respectively. After further discussion it was determined that these savings will be distributed to other expenses and the initial savings will be negated. These additional savings should not have been included in revenue requirements.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case



Investment Name:	High Voltage Protection for Substations_ Revise					
Requested Amount	\$4,371,844	Assessments:				
Duration/Timeframe	6 Year Project	Financial:	Medium - >= 5% & <9% CIRR			
Dept., Area:	Enterprise Technology	Strategic:	Reliability & Capacity			
Owner:	Jacob Reid/Jim Corder	Operational:	Operations require execution to perform at current levels			
Sponsor:	Jim Kensok	Business Risk:	ERM Reduction >5 and <= 10			
Category:	Mandatory	Project/Program Risk:	High certainty around cost, schedule and resources			
Mandate/Reg. Reference:	Yes	Assessment Score:	128	Cost Summary - Increase/(Decrease)		
Recommend Project Description:		Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
High Voltage Protection to personnel and Telco equipment by fiber integration, demark relocation, & equipment remediation at suburban and rural substations.		describe any incremental changes that this project would benefit present operations	\$ 3,820,309	\$ (374,500)	\$ -	3
			Cost Summary - Increase/(Decrease)			
Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Status Quo :	Not repairing this situation has potential to increase the risk to Avista and/or telephone company personnel working near substations and the risk of damage to communications equipment caused by electrical faults.	n/a	\$ -	\$ -	\$ 1,000,000	15
Alternative 1: Brief name of alternative (if applicable)	High Voltage Protection to personnel and equipment by fiber integration, demark relocation, & equipment remediation at suburban and rural substations.	16 substations integrated onto fiber network, reducing	\$ 3,820,309	\$ (48,600)	\$ -	3
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Timeline

Construction Cash Flows (CWIP)

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 1,243,989	\$ -	\$ -	\$ 1,243,989
2012	\$ 1,041,320	\$ (18,000)	\$ -	\$ 997,355
2013	\$ 525,000	\$ (37,300)	\$ 12,000	\$ 690,500
2014	\$ 530,000	\$ (53,200)	\$ 12,000	\$ 800,000
2015	\$ 320,000	\$ (53,200)	\$ 12,000	\$ 320,000
2016	\$ 160,000	\$ (53,200)	\$ 12,000	\$ 320,000
2017	\$ -	\$ (53,200)	\$ 12,000	\$ -
2018	\$ -	\$ (53,200)	\$ 12,000	\$ -
Future	\$ -	\$ (53,200)	\$ 12,000	\$ -
Total	\$ 3,820,309	\$ (374,500)	\$ 84,000	\$ 4,371,844

Rebaselined after completion of Design & Planning

Milestones (high level targets)

October-11	Major Procurement	January-13	First fiber project close	December-14	RLH Construction
December-11	Previous Spend 2011	February-13	First remediation project close	December-15	RLH Construction
October-12	Major Procurement	March-13	Second remediation project close	December-16	RLH Construction
December-12	Previous Spend 2012	April-13	Future GridNet Sites engineering		
		July-13	HVP Shop labor finishes		
		December-13	Finalize GridNet Installation		

Associated Ers (list all applicable):

5119							
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Mandate Excerpt (if applicable):

Under CenturyLink (FKA Qwest) tariff Number 1 section 13.7 requires that the customer provide high voltage protection for communication circuits in high voltage areas. Please notes below for additional information

Additional Justifications:

In order to balance the need for communications from devices at substation locations with safety of personnel and equipment, high voltage protection & isolation standards have arisen. Telco companies have the ability or desire to turn off communication circuits to substations until Avista works with them to electrically isolate the copper coming into the substation. This effects Phone, Modem, SCADA, and / or Metering & Monitoring systems at the substations. This set of projects was created to mitigate this tariff risk as well as the lower likelihood (but more expensive) risks to personnel and equipment.

Resources Requirements: (request forms and approvals attached)



Capital Investment Business Case

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here

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 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the project

Please see the follow link for CenturyLink (FKA Qwest) Tariff No. 1 that outlines the requirements for High Voltage Protection Circuits.
http%3A%2F%2Ftariffs.qwest.com%3A8000%2Fidc%2Fgroups%2Fpublic%2Fdocuments%2Ftariff%2Ffcc1_s013p021.pdf

This project was started in 2011 under ER5005 and is being moved out of ER5005 into its own Business Case.

To be completed by Capital Planning Group	
Rationale for decision	Review Cycles 2012-2016
	Date
	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Enterprise Technology
Business Case Name: Next Generation Radio Refresh

ER No: 5106 **ER Name:** Next Generation Radio System

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$6,887¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	1,999												1,999
2014	7,235								4,458				2,777
2015	27	15	10	2									
2016													

Business Case Description:

This project is refreshing Avista’s 20 year old Land Mobile Radio (“LMR”) system that is used for critical crew communications during outage restoration and daily operations of maintaining the electric and gas distribution and transmission systems. Avista continues to maintain a private LMR system because the offerings available from public providers cannot provide communication throughout our rural service territory and as a portion of our nation’s critical infrastructure it is imperative that Avista have a communication system that will operate in the event of a disaster to help safeguard the general public.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Investment Business Case

Investment Name:	Next Generation Radio Refresh		
Requested Amount	\$	22,476,931	Assessments:
Duration/Timeframe	5 Year Project		Financial: Medium - >= 5% & <9% CIRR
Dept., Area:	Enterprise Technology		Strategic: Agile Technology Platforms
Owner:	Jacob Reidt/Jim Corder		Operational: Operations require execution to perform at current levels
Sponsor:	Jim Kensok		Business Risk: ERM Reduction >5 and <= 10
Category:	Mandatory		Project/Program Risk: High certainty around cost, schedule and resources
Mandate/Reg. Reference:	FCC Narrow Banding Mandate (See below)		Assessment Score: 128
Recommend Project Description:			
This project is refreshing Avista's 20 year old Land Mobile Radio (LMR) system that is used for critical crew communications during outage restoration and daily operations of maintaining the electric and gas distribution and transmission systems. Avista continues to maintain a private Land Mobile Radio system because the offerings available from public providers cannot provide communication throughout our rural service territory and as a portion of our nation's critical infrastructure it is imperative that Avista have a communication system that will operate in the event of a disaster to help safeguard the general public.		Performance	ERM Risk Score
		The current radio system will not meet the required mandate and due for refresh.	0
Cost Summary - Increase/(Decrease)			
		Capital Cost	O&M Cost
		\$ -	\$ -
		Other Costs	ERM Risk Score
		\$ -	0

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Status Quo :	Describe the current condition of the asset(s) and problems that need to be corrected	n/a	\$ -	\$ -	\$ -	0
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Timeline

Construction Cash Flows (CWIP)

	Capital Cost	O&M Cost	Other Costs	Approved
Actual				
Forecast				
Previous	\$ 11,327,464	\$ -	\$ -	\$ 11,327,464
2012	\$ 8,003,573	\$ -	\$ -	\$ 4,262,000
2013	\$ 2,997,260	\$ -	\$ -	\$ 2,715,260
2014	\$ 3,946,378	\$ -	\$ -	\$ 4,145,207
2015	\$ 27,000	\$ -	\$ -	\$ 27,000
2016	\$ -	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -	\$ -
Future	\$ -	\$ -	\$ -	\$ -
Total	\$ 26,301,675	\$ -	\$ -	\$ 22,476,931

Rebased after completion of Design & Planning

Milestones (high level targets)			
February-08	Project Started	December-15	year end actual
December-11	year end actual		
December-12	year end actual		
December-13	year end actual		
December-14	year end actual		

Associated Ers (list all applicable):	5106						
Mandate Excerpt (if applicable):	na						

Additional Justifications:	
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Capital Investment Business Case

Resources Requirements: (request forms and approvals attached)

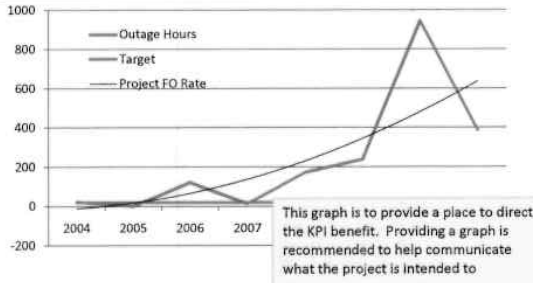
Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure: Fill in the name of the KPI here
Fill in the name of the KPI here



Prepared signature *[Signature]*

Reviewed signature *[Signature]*
 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the project.

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Enterprise Technology
Business Case Name: GridGlo GFX Integration

ER No: 7129 **ER Name:** GridGlo GFX Integration

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$662¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014	240												240
2015													
2016													

Business Case Description:

Trove (formerly gridglow) will develop, deliver and integrate the Trove Fusion Exchange Platform (GFX Platform) with Avista’s Blue Cube framework. The GFX Platform embeds advanced analytical algorithms enabling utilities to derive business insights from the fusion of organic grid data with organic and external customer data within an open, multi-layered architecture. The GFX Platform provides Application-Program Interfaces (“API”) APIs to an embedded analytics layer, and Forecasting Application is in scope for this business cases.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Project Business Case

Investment Name:	Trove GFX Integration	Assessments:	
Requested Amount	\$662,000	Financial:	22.00%
Duration/Timeframe	1 Year Project	Strategic:	Agile Technology Platforms
Dept., Area:	Enterprise Technology	Business Risk:	Business Risk Reduction - None
Owner:	Mark Gustafson	Project Risk:	Moderate certainty around cost, schedule and resources
Sponsor:	Jim Kensok	Assessment Score:	78
Category:	Project	Annual Cost Summary - Increase/(Decrease)	
Mandate/Reg. Reference:	n/a	Capital Cost	O&M Cost

Recommend Project Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
GridGlo changed their company name to Trove in 2013. Trove will develop, deliver and integrate the Trove Fusion Exchange Platform (GFX Platform) with Avista's Blue Cube framework. The GFX Platform embeds advanced analytical algorithms enabling utilities to derive business insights from the fusion of organic grid data with organic and external customer data within an open, multi-layered architecture. The GFX Platform provides Application-Program Interfaces ("API") APIs to an embedded analytics layer, an analytical workflow layer, and access to the Trove fusion layer of customer attributes. Note: The Load Forecasting Application is in scope for this business case and added as of 10/13. IRR score is at High case= 65.80%; Medium case =22.63%; Low case = 15.27% (negative)	describe any incremental changes that this Project would benefit present operations	\$ 662,000	\$ 67,100	\$ -	0

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	Describe the current condition of the asset(s) and problems that need to be corrected	\$ -	\$ -	\$ -	0
Alternative 1: Brief name of alternative (if applicable)	Trove GFX Integration	\$ 662,000	\$ 67,100	\$ -	0
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0

Program Cash Flows	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2013	\$ 284,500	\$ -	\$ -	\$ 284,500
2014	\$ 377,500	\$ 67,100	\$ -	\$ 377,500
2015	\$ -	\$ 114,600	\$ -	\$ -
2016	\$ -	\$ 138,200	\$ -	\$ -
2017+	\$ -	\$ 114,600	\$ -	\$ -
Total	\$ 662,000	\$ 434,500	\$ -	\$ 662,000

Associated Ers (list all applicable):

ER	2013	2014	2015	2016	2017+	Total	Mandate Excerpt (if applicable):
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	provide brief citation of the law or regulation and a reference number if possible
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Additional Justifications:
							Any supplementary information that may be useful in describing in more detail the nature of the Project, the urgency, etc.

Milestones (high level targets)							
August-13	Business Requirements	January-00	open	January-00	open		Milestones should be general. Use your judgement on project progress so that progress can
December-13	BlueCube Integration	January-00	open	January-00	open		
March-14	GFX Final Delivery	January-00	open	January-00	open		
January-00	open	January-00	open	January-00	open		
January-00	open	January-00	open	January-00	open		
January-00	open	January-00	open	January-00	open		

Resources Requirements: (request forms and approvals attached)							
Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input checked="" type="checkbox"/> Medium Probability	<input type="checkbox"/> High Probability	Enterprise Tech:	<input checked="" type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required	Capital Tools:
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Fleet:
					<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	<input type="checkbox"/> YES - attach form



Capital Project Business Case

YES

YES - attach form

NO or Not Required

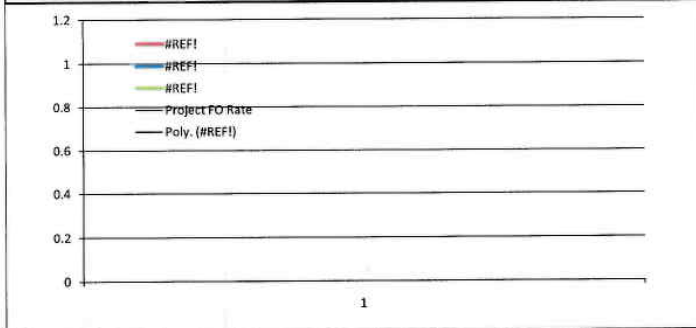
YES - attach form

NO or Not Required

Key Performance Indicator(s)

Expected Performance Improvements

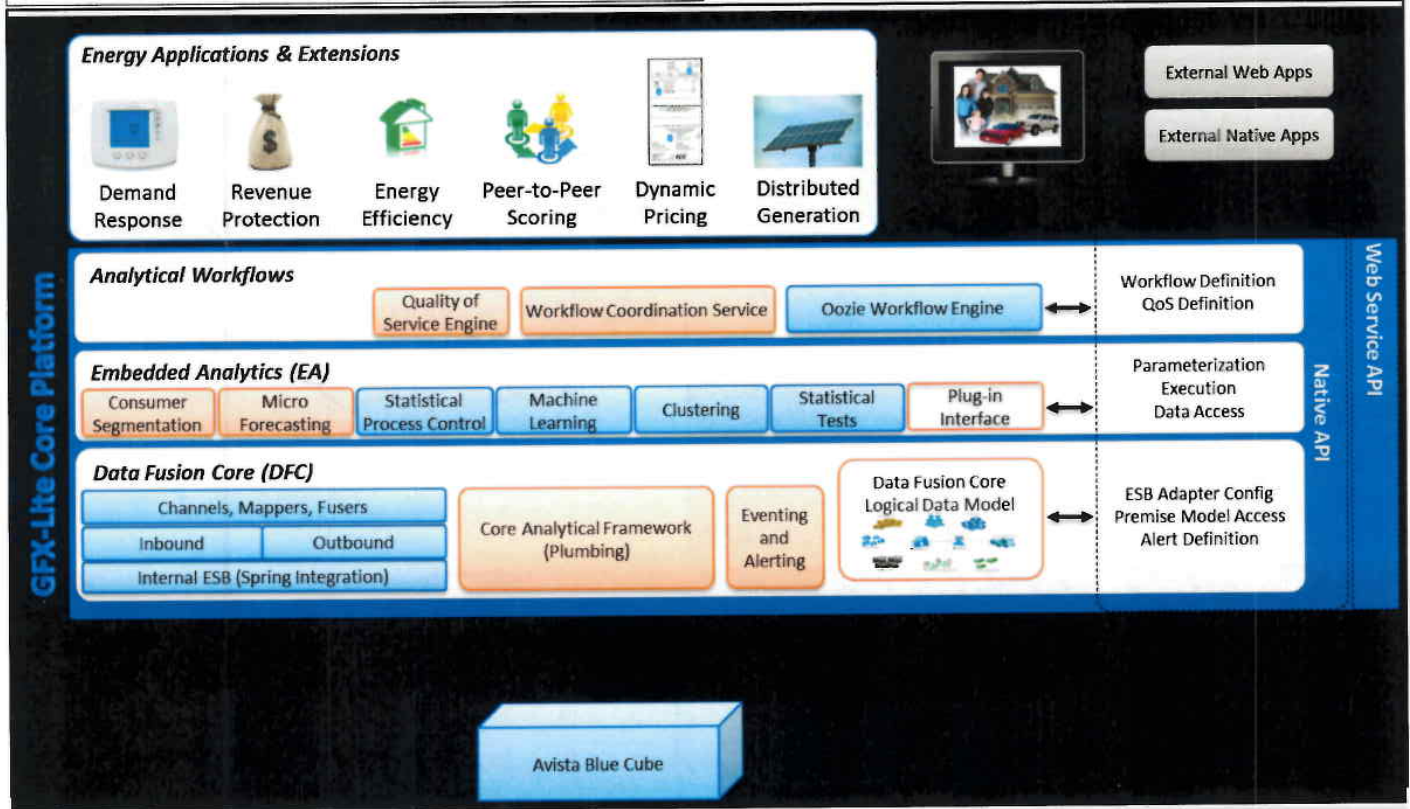
KPI Measure: Fill in the name of the KPI here
 Fill in the name of the KPI here



Prepared signature *Andrea Pike*

Reviewed signature *Mark Wolff*
 Director/Manager

Other Party Review signature *Jim Korsch*
 (if necessary) Director/Manager



To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Enterprise Technology

Business Case Name: Asset Facilities Management (“AFM”) - Migration to a Commercial Off-The-Shelf (“COTS”) Application

ER No: 5147
ER Name: AFM COTS Migration

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$18,350¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014													
2015	8,350			2,088			2,088			2,088			2,088
2016	10,000												10,000

Business Case Description:

The project is to migrate the existing AFM system to a COTS application, which aligns to our AFM Roadmap and strategic goals for the transition to more agile technology platforms. The project will include the replacement of the natural gas and electric Construction Design Tool, Edit, and the Company’s Outage Management Tool and associated applications. The selection of the COTS solution will occur after business requirements are gathered and an RFI/RFP process is completed. The O&M estimates are related to the RFI/RFP process, licensing and maintenance fees, and for certain components of the system that will go live during the course of the project.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Project Business Case



Investment Name:	AFM COTS Migration	Assessments:	
Requested Amount	\$41,000,000	Financial:	8.00%
Duration/Timeframe	4 Year Project	Strategic:	Agile Technology Platforms
Dept., Area:	Enterprise Technology	Business Risk:	Business Risk Reduction >5 and <= 10
Owner:	Josh DiLuciano and John Gibson	Project Risk:	Moderate certainty around cost, schedule and resources
Sponsor:	Don Kopczynski	Assessment Score:	76
Category:	Project	Annual Cost Summary - Increase/(Decrease)	
Mandate/Reg. Reference:	n/a	Performance	Capital Cost

Recommend Project Description:		O&M Cost	Other Costs	Business Risk Score
The project is to migrate AFM to a COTS application which aligns to our AFM Roadmap and strategic goals for Agile Technology Platforms. The project will include the replacement of Gas and Electric CDT, EDIT, and OMT/ADMS applications. The selection of the COTS solution will occur after business requirements are gathered and an RFI/RFP process is completed. The O&M estimates are related to the RFI/RFP process, licensing maintenance fees and when parts of the system go live during the course of the project.	describe any incremental changes that this Project would benefit present operations	\$ 3,500,000	\$ -	12

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	Describe the current condition of the asset(s) and problems that need to be corrected	n/a	\$ -	\$ -	\$ -	16
Alternative 1: AFM COTS Migration TBD	Describe other options that were considered	describe any incremental changes in operations			\$ -	12
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2013	\$ -	\$ -	\$ -	\$ -
2014	\$ 3,000,000	\$ 500,000	\$ -	\$ 1,750,000
2015	\$ 10,000,000	\$ 1,000,000	\$ -	\$ 6,600,000
2016	\$ 13,000,000	\$ 1,000,000	\$ -	\$ 10,000,000
2017	\$ 15,000,000	\$ 1,000,000	\$ -	\$ 10,000,000
2018	\$ -	\$ -	\$ -	\$ -
Total	\$ 41,000,000	\$ 3,500,000	\$ -	\$ 28,350,000

Associated Ers (list all applicable):			

ER	2013	2014	2015	2016	2017	Total	Mandate Excerpt (if applicable):
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	provide brief citation of the law or regulation and a reference number if possible
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Additional Justifications: Any supplementary information that may be useful in describing in more detail the nature of the Project, the urgency, etc.

Milestones (high level targets)

- July-14 - June 15 Plan
- July 15 - June 16 Design & Construct
- July 16 - June 17 Deploy
- June 17 - December 17 Train

Milestones should be general. Use your judgement on project progress so that progress can

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO
 Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required


Capital Project Business Case



Key Performance Indicator(s)

Expected Performance Improvements	
KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here



Prepared signature 

Reviewed signature 
 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Project

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Enterprise Technology

Business Case Name: Financial Forecast Model

ER No: 5149
ER Name: Financial Forecast Model

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$500¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014													
2015	500							500					
2016													

Business Case Description:

The vendor no longer supports the Impact Financial Forecasting application. As a result, the software needs to be replaced. The output from this software is used for all financial decision making that occurs in the organization and is considered a critical system. With a new system, operational work as it relates to financial planning and analysis could be improved. Improved usability of a new system could allow users to gain efficiencies in their work by allowing streamlined data uploads, downloads, and reporting. The O&M costs refer to software maintenance in 2016 and beyond.

After the company finalized the ProForma Cross Check study in this case, more information became available regarding this business case. This business case will now be included in the Technology Refresh business case. However, the estimated costs have not changed for this ER.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Colstrip Transmission Capital Additions

ER No: 2214
ER Name: Colstrip Transmission-PNACI Capital Additions

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$1,244¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	40							16	3	4	9	5	3
2014	369	7	12	9	21	97	52	16	24	50	21	16	44
2015	208	4	7	5	12	54	29	9	14	28	12	9	25
2016	215	4	7	6	12	56	30	9	14	29	12	9	25

Business Case Description:

This program is for capital replacement and upgrades and for O&M expenses for the jointly owned 500 kV Colstrip Transmission System. Program funding is used as transmission assets reach the end of their useful lives, requiring replacement or increased capacity. The program can also be used to accommodate necessary upgrades due to new interconnection requests on these facilities. Under the Colstrip Project Transmission Agreement (among Avista, Northwestern Energy, PacifiCorp, Portland General Electric and Puget Sound Energy), Avista is obligated to fund capital and O&M expenses commensurate with Avista's ownership share in these facilities. Such facilities include hardware, software, and operating system upgrades, as well as deployment of capabilities to meet new operating standards and requirements. Some system upgrades may be initiated by other requirements, including NERC reliability standards, growth, and third-party projects (e.g. transmission or generation interconnections under FERC regulations). Examples of upgrades to be completed under this program in the next 2 years are: 500 kV breaker replacement at Colstrip Substation, 500 kV communication replacement (OPGW Project) between Broadview and Colstrip to meet required dual communication paths under NERC standards, 500 kV relay upgrades at Broadview and 500 kV tower erosion mitigation.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case



Investment Name:	Colstrip Transmission	Assessments:	
Requested Amount	\$410,220	Financial:	MH - >= 9% & <12% CIRR
Duration/Timeframe	20 Year Program	Strategic:	Reliability & Capacity
Dept., Area:	Transmission	Operational:	Operations require execution to perform at current levels
Owner:	Jeff Schlect/Heather Rosentrater	Business Risk:	ERM Reduction >10 and <= 15
Sponsor:	Don Kopczynski	Program Risk:	High certainty around cost, schedule and resources
Category:	Program	Assessment Score:	102
Mandate/Reg. Reference:	Program		

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease)			ERM Risk Score
		Capital Cost	O&M Cost	Other Costs	
For capital upgrades and replacement and for O&M expenses for the jointly owned 500 kV Colstrip Transmission System. Program funding is used as transmission assets reach end-of-life, requiring replacement or upgrade. Under the Colstrip Project Transmission Agreement (among Avista, NorthWestern Energy, PacifiCorp, Portland General Electric and Puget Sound Energy), Avista is obligated to fund capital and O&M expenses commensurate with Avista's ownership share in these facilities. Such facilities include hardware, software, and operating system upgrades to meet new operating standards and requirements. Some upgrades may be initiated by NERC reliability standards, growth, and third-party projects (e.g. transmission or generation interconnections required by FERC policy). Examples of upgrades to be completed under this program in the next 2 years are: 500 kV breaker replacement at Colstrip Substation, 500 kV communication replacement (OPGW Project) between Broadview and Colstrip to meet required dual communication paths under NERC standards, 500 kV relay upgrades at Broadview and 500 kV tower erosion mitigation.	Improved performance, upgraded equipment, better status & control, new life cycle.	\$ 410,220	\$ 399,838	\$ -	12

Alternatives:	Performance	Annual Cost Summary - Increase/(Decrease)			ERM Risk Score
		Capital Cost	O&M Cost	Other Costs	
Unfunded Program: Non-compliant operational capabilities and practices would result in negative audit findings, financial penalties, and litigation expenses due to breach of contract with other joint owners. Obsolete equipment would remain in service until failure.	Severe negative system reliability and compliance impacts	\$ -	\$ -	\$ -	0
Alternative 1: Brief name of alternative (if applicable) Describe other options that were considered	Performance remains at current levels; min. improve	\$ -	\$ -	\$ -	0
Alternative 2: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated ERs (list all applicable):				
5 years of costs	Capital Cost	O&M Cost	Other Costs	Approved	2214				
2012	\$ 410,220	\$ 399,838	\$ -	\$ -					
2013	\$ 463,000	\$ 387,000	\$ -	\$ 452,000					
2014	\$ 368,887	\$ 392,853	\$ -	\$ 368,887					
2015	\$ 208,220	\$ 339,985	\$ -	\$ 208,220					
2016	\$ 215,354	\$ 316,572	\$ -	\$ 215,354					
2017	\$ 60,000	\$ 324,888	\$ -	\$ 60,000					
2018	\$ 150,000	\$ 330,000	\$ -	\$ 150,000					
Total	\$ 1,875,681	\$ 2,491,136	\$ -	\$ 1,454,461					

Mandate Excerpt (if applicable):
 NERC reliability standards are being continually changed. New and changed standards are expected which will address emergency operations, transmission operations, critical infrastructure protection, communications, and balancing authority operations.
 (See http://www.nerc.com/filez/standards/Reliability_Standards_Under_Development.html)

Additional Justifications:
 This program is for capital replacement and upgrades and for operations and maintenance expenses for the jointly owned 500 kV Colstrip Transmission System. **Cuts to this program need to be closely evaluated to assure that reliable and compliant operations are not impacted and that Avista would not be in breach of contract with other joint transmission owners.**

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: <input type="checkbox"/> Low Probability <input type="checkbox"/> Medium Probability <input checked="" type="checkbox"/> High Probability	Enterprise Tech: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).
Contract Labor: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Facilities: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Capital Tools: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Fleet: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	



Capital Program Business Case

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Complete projects ahead of need and compliance targets.

Prepared signature JASCHUNT
 JEFF SCHLECT - SR MANAGER, TRANSMISSION SVCS

Reviewed signature Heather Rosenblater
 HEATHER ROSENBLATER Director/Manager Director - BNSO

Other Party Review signature _____
 (if necessary) Director/Manager

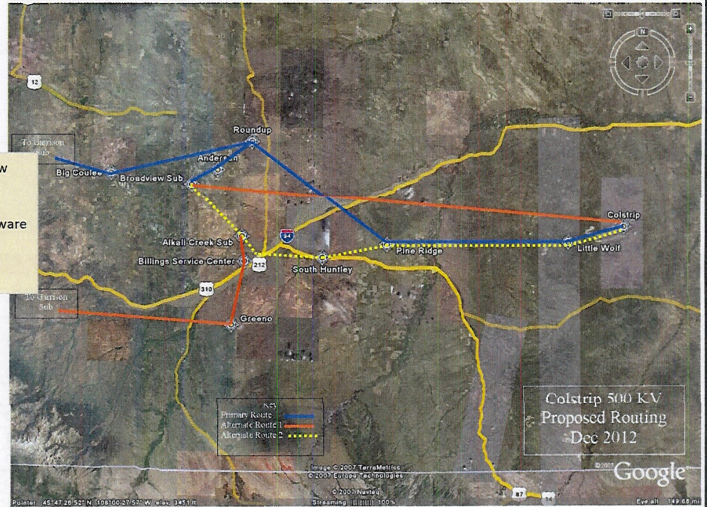


Colstrip Transmission – NWE 500kV maintenance crew was patrolling the 500kV lines to assess right-of-way access road damage that occurred in 2011 because of record high runoff. When flying over the area where the lines cross the Big Horn River, two towers were observed to be in danger of becoming undermined by the river. The attached picture shows about 150' of land left between the edge of the water and the base of the nearest tower. During the 1st week of June, 2011 there was 260' of land there. The river appears to be continuing to erode the bank.

The lines pictured are the A & B lines between Broadview and Colstrip. This is an issue of very high importance to NWE as the operator of the 500 kV Colstrip Transmission System. Maintenance work is scheduled for 2012 to mitigate this erosion problem.

Broadview-Colstrip Communications - 500 kV communication replacement between Broadview Substation and Colstrip Substation now requires dual communication paths for reliability.

NWE has adopted a non-test policy on the SLYP/SLCN relay systems due to the age of the hardware and concern that any cycling of cards or hardware has too great a risk of failure. NERC testing standards are expected to be updated, but the OPGW replacement project is planned for completion prior to implementation of testing standards.



To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Distribution Grid Modernization

ER No: ER Name:

2470 Dist Grid Modernization

2554 Feeder Automation Upgrades

2570 Sandpoint Grid Modernization Project

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$53,641¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	6,630							537	262	195	229		5,455
2014	9,450												9,450
2015	13,500												13,500
2016	21,000												21,000

Business Case Description:

The Distribution Grid Modernization Program provides value to customers and shareholders by improving grid reliability, energy savings and operational ability through a systematic and managed upgrade of our aging distribution system. This program seeks cost effective opportunities to increase service quality performance and system availability through the identification of locations that would benefit from the addition of switched capacitor banks, regulators and smart grid devices. The long-term plan represented by the IRR of 6.4% aims to upgrade 6 feeders per year to cover the whole distribution system in a 60 year cycle. This coordinates well with Wood Pole Management's 20 year cycle such that every third planned maintenance trip to a feeder would be an upgrade, expanding Wood Pole Management's scope. The average cost to rebuild each feeder is estimated to be \$3.5M.

Offsets:

O&M offsets associated with this business case may occur in the future, however, they are not quantifiable at this time.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Dist Grid Modernization	Assessments:	
Requested Amount	See Plan Below	Financial:	MH - >= 9% & <12% CIRR
Duration/Timeframe	Indefinite Year Program	Strategic:	Life Cycle Programs
Dept., Area:	Electrical Engineering	Operational:	Operations require execution to perform at current levels
Owner:	Troy Dehnel	Business Risk:	ERM Reduction >5 and <= 10
Sponsor:	Don Kopczynski	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Program	Assessment Score:	93
Mandate/Reg. Reference:	n/a	Annual Cost Summary - Increase/(Decrease)	

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
The Distribution Grid Modernization Program provides value to customers and shareholders by improving Grid Reliability, Energy Savings and Operational Ability through a systematic and managed upgrade of our aging distribution system. This program seeks cost effective opportunities to increase service quality performance and system availability through the identification of locations that would benefit from the addition of switched capacitor banks, regulators and smart grid devices. The long-term plan represented by the IRR of 6.4% aims to upgrade 6 feeders per year to cover the whole distribution system in a 60 year cycle. This coordinates well with Wood Pole Management's 20 year cycle such that every third planned	When completed save an average of 1,970 MWh* annually & Reduce Outages	\$ 9,000,000	\$ -	\$ 60,000	4
Annual Cost Summary - Increase/(Decrease)					

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	No systematic plan for wholistic address of conductors, reconfiguring services for better access, or adding devices that benefit the performance of the feeder.	\$ 120,000	\$ -	\$ 600,000	25
Alternative 1: Brief name of alternative (if applicable)	The Dist Grid Modernization Program provides benefits to customers, employees, and shareholders by replacing problematic poles, cross-arms, cut-outs, transformers, conductor, etc. In addition, adding switched capacitor banks and smart grid devices is of benefit due to increased energy efficiency	\$ 9,000,000	\$ -	\$ 60,000	4
Alternative 2: Brief name of alternative (if applicable)					
Alternative 3 Name: Brief name of alternative (if applicable)					

Program Cash Flows					Associated Ers (list all applicable):				
7 years of costs					Feeder Upgrad 2470				
	Capital Cost	O&M Cost	Other Costs	Approved	Feeder Autom 2570				
2012	\$ 9,000,000	\$ -	\$ -	\$ 8,000,000					
2013	\$ 6,941,084	\$ -	\$ -	\$ 6,941,084					
2014	\$ 9,700,000	\$ -	\$ -	\$ 9,700,000					
2015	\$ 16,000,000	\$ -	\$ -	\$ 16,000,000					
2016	\$ 21,000,000	\$ -	\$ -	\$ 21,000,000					
2017	\$ 21,000,000	\$ -	\$ -	\$ 21,000,000					
2018	\$ 21,000,000	\$ -	\$ -	\$ 21,000,000					
Total	\$ 104,641,084	\$ -	\$ -	\$ 103,641,084					

Mandate Excerpt (if applicable):
 The Avista Distribution System Efficiencies Program Study (Gibson, 2009) identified the existing distribution system losses to be approximately 12%. Assuming, all of the distribution feeders studied were economically viable to upgrade the system would experience a reduction of losses by 7%. The total energy savings corresponding to the implementation of the upgrades would correspond to an energy savings of approximately 29.2 MW on peak and 13.5 MW on average.

Additional Justifications:
 *1,970 MWh Annual Energy savings based on the charter document: *The Avista Distribution System Efficiencies Program Study (Gibson, 2009)*.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: <input type="checkbox"/> Low Probability <input type="checkbox"/> Medium Probability <input checked="" type="checkbox"/> High Probability	Enterprise Tech: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).
Contract Labor: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Facilities: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Capital Tools: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Fleet: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Distribution Line Protection

ER No: 2276
ER Name: Distribution Line Protection

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$750¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	253								2	2			250
2014	250	21	21	21	21	21	21	21	21	21	21	21	21
2015	125	10	10	10	10	10	10	10	10	10	10	10	10
2016	125	10	10	10	10	10	10	10	10	10	10	10	10

Business Case Description:

Avista's Electric Distribution system is configured into a trunk and lateral system. Lateral circuits are protected via fuse-links and operate under fault conditions to isolate the lateral in order to minimize the number of affected customers in an outage. Engineering recommends treatment of the removal and replacement of Chance Cutouts, the removal and replacement of Durabute cutouts and the installation of cut-outs on un-fused lateral circuits. This is a targeted program to ensure adequate protection of lateral circuits and to replace known defective equipment.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case



Investment Name:	Distribution Line Protection	Assessments:	
Requested Amount	875,000 5-years	Financial:	MH - >= 9% & <12% CIRR
Duration/Timeframe	On-going Year Program	Strategic:	Life Cycle Programs
Dept., Area:	Engineering	Operational:	Operations require execution to perform at current levels
Owner:	Al Fisher	Business Risk:	ERM Reduction >5 and <= 10
Sponsor:	Don Kopczynski	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Program	Assessment Score:	93
Mandate/Reg. Reference:	n/a	Annual Cost Summary - Increase/(Decrease)	

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Avista's Electric Distribution system is configured into a trunk and lateral system. Lateral circuits are protected via fuse-links and operate under fault conditions to isolate the lateral minimize the number of affected customers. Engineering recommends treatment of the following: 1. Removal and replacement of Chance Cutouts 2. Removal and replacement of Durabute cutouts 3. Installation of cut-outs on unfused lateral circuits. This is a targeted program to ensure adequate protection of lateral circuits and to replace known defective equipment.	Investments necessary to maintain current operations and to extend the life of current assets.	\$ 250,000	\$ 10,000		8

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Unfunded Program:	n/a	\$ -	\$ -	\$ -	15
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	8
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):			
5 years of costs	Capital Cost	O&M Cost	Other Costs	Approved	Current ER			
					2416	System Wide		
2013	\$ 250,000	\$ 5,000	\$ -	\$ 250,000				
2014	\$ 250,000	\$ 10,000	\$ -	\$ 250,000				
2015	\$ 125,000	\$ 10,000	\$ -	\$ 125,000				
2016	\$ 125,000	\$ 10,000	\$ -	\$ 125,000				
2017	\$ 125,000	\$ 5,000	\$ -	\$ 125,000				
2018				\$ 125,000				
Total	\$ 875,000	\$ 40,000	\$ -	\$ 1,000,000				

Mandate Excerpt (if applicable):

Additional Justifications:
 This program was funded for a 2-year period in the 2009-2010 timeframe. This request allows for completion of the Chance cutout replacements but also includes the installation of devices on unfused laterals.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).



Capital Program Business Case

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	# Cutout Replacement
	# New Cutout Installation

Prepared signature *John M. Davis*

Reviewed signature *Alan E. Fisher*
 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager

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<p>Spokane, N & W</p> <p>Davenport 12F2 - Convert FDR to UG</p> <p>Rickson 751 - Reinf 2.5 mi</p> <p>S Okello 521 - Record</p> <p>Lung Lake - Cw On to UG (1.5FWB)</p> <p>3HT 12F2 - Waste Water</p> <p>Mastie St Secondary Ckt - Record</p> <p>Milwood 12F4 - Record 0.5 mi</p> <p>Cubset 12F1 - Record 40 ACSR</p> <p>NE 12F2 - Tie to NE 12F4</p> <p>EE 12F2 - Tower MT</p> <p>Liberty Lk 12F2 - Henry Rd Tie</p> <p>NE 12F1 Record & Split FDR</p> <p>SCE 12F4 - Record 300</p> <p>Fort Wright 12F1 - Record 1 mi</p> <p>Deer Park 12F2 - Record 20 ACSR</p> <p>NE 12F2 - Tie to WAK 12F3</p> <p>Baker 12F2 - Tie to EFM 12F1</p> <p>East Farms 12F1 - Record 1.5 MI</p> <p>Fort Wright 12F4 - Record 500</p> <p>SCE 12F1 - Tie to BEA 12F6</p> <p>SCE 12F2 - Tie to Chester 12F2</p> <p>Silver Lk 12F1 - Record 2.1 mi</p> <p>Third & Huber 12F1 - Tie to 12F7</p> <p>CAW 12F4 - Tie to 3HT 12F7</p> <p>Chester 12F4 - Record 1.75 mi</p> <p>SCE 12F3/See 12F1 - Record 1 mi</p> <p>Sunset 12F1 - Record 1.5 mi</p> <p>SCE 12F1 - Tie to SCE 12F3 Bladwy 0.5 mi</p> <p>ML 12F1 Record 1/0 CU 0.8 mi</p> <p>CH 12F3 Record 20 CU 3 mi</p> <p>BKR 12F3 Record 30 ACSR 1 mi</p>	<p>CDA and E</p> <p>Sawpoint 4522 - Record 0.7 mi</p> <p>Old Town - Cw Tie Record</p> <p>Dallon 131 Record 1.5 mi</p> <p>Dallon 131 - Record 1.4 mi</p> <p>Awendale 151 - Record 1.5 mi</p> <p>Dallon 131 - Recor 0.8 mi (Jakeshore)</p> <p>Dallon 133 - Add 1 gn 3.1 miles</p> <p>RF 213 - Record 1.2 mi Roberstad PK</p> <p>Dallon 134 - Coldwater Ck Loop</p> <p>Pleasant View 241 - Ckt 1 mi</p> <p>Blue Ck 321 - Record 1.2 mi</p> <p>Dallon 131 - Extend 0.5 mi</p> <p>Pine Ck 424 - Record 1 mi</p> <p>Wallace 542 - Re-scale 1.5 mi to tie to</p> <p>Ogden 611 - Record 1.5 mi</p> <p>Rathburn 233 UG 1 mi (Hylo Ranch)</p> <p>Lucky Fr 562 - Add FDR</p> <p>CDA - Diprey mitigation</p> <p>Hawth 140 - Extend 3/4 0.5 mi</p> <p>Blue Ck 321 Record 3 mi</p> <p>Laneview 343 - Conv to tie to UG</p> <p>Wallace 544 Record for Star Mine</p> <p>Palouse & L/C</p> <p>Hillbrook 1206 - Record 3700</p> <p>Ondino 1281</p> <p>10th&Blount 1253 tie to 1256</p> <p>10th&Blount 1253 - 1 mi record & reg.</p> <p>S Lewiston 1358 Extend</p> <p>CPD 1210 - Record 86 CU</p> <p>Palouse 312 - Add Phase</p> <p>Moscow 515 tie to 512</p> <p>Ewer 241 Midline Regs.</p>
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To be completed by Capital Planning Group		Review Cycles	
Rationale for decision	Date	2012-2016	
		Template	

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Distribution Minor Rebuild

ER No: 2055
ER Name: Electric Distribution Minor Blanket

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$34,800¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	4,792							611	988	1,319	570	683	611
2014	8,300	833	675	661	661	687	654	627	889	628	677	687	621
2015	8,300	833	674	661	661	687	654	627	890	628	677	687	621
2016	8,300	833	674	661	661	687	654	627	890	628	677	687	621

Business Case Description:

This program is for distribution minor rebuild as requested by the customer or initiated by Avista. Examples of construction work includes replacing meters, services, transformers, primary overhead or underground lines, or devices. This also includes addressing trouble related jobs (i.e. replacing burnt or damaged poles).

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Distribution Minor Rebuild					
Requested Amount	\$	8,300,000	Assessments:			
Duration/Timeframe	On-Going	Year Program	Financial:	Medium - >= 5% & <9% CIRR		
Dept., Area:	Operations		Strategic:	Reliability & Capacity		
Owner:	Al Fisher		Operational:	Operations somewhat impacted by execution		
Sponsor:	Don Kopczynski		Business Risk:	ERM Reduction >15		
Category:	Program		Program Risk:	Moderate certainty around cost, schedule and resources		
Mandate/Reg. Reference:	n/a		Assessment Score:	90	Annual Cost Summary - Increase/(Decrease)	
Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score	
This program is for distribution minor rebuild as requested by the customer or initiated by Avista. Examples of construction work includes replacing meters, services, transformers, primary overhead or underground lines, or devices. This also includes addressing trouble related jobs (i.e. replacing burnt or damaged poles).	CIRR = 8%	\$ 8,300,000	\$ -	\$ -	4	
Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score	
Status Quo :	n/a		\$ -	\$ -	20	
Alternative 1: Brief name of alternative (if applicable)	This program is for distribution minor rebuild as requested by the customer or initiated by Avista. We have spent over \$9MM in the last two years, but hope to stay around \$8.5MM annually.	CIRR = 8%	\$ 8,300,000	\$ -	\$ -	4
			\$ -	\$ -	0	
			\$ -	\$ -	0	

Program Cash Flows					Associated Ers (list all applicable):				
5 years of costs					Current ER	2055			
	Capital Cost	O&M Cost	Other Costs	Approved					
2012	\$ 8,300,000	\$ -	\$ -	\$ 8,300,000					
2013	\$ 8,500,000	\$ -	\$ -	\$ 9,900,000					
2014	\$ 8,500,000	\$ -	\$ -	\$ 8,300,000					
2015	\$ 8,500,000	\$ -	\$ -	\$ 8,300,000					
2016	\$ 8,500,000	\$ -	\$ -	\$ 8,300,000					
2017				\$ 8,300,000					
2018				\$ 8,300,000					
Total	\$ 42,300,000	\$ -	\$ -	\$ 59,700,000					

Mandate Excerpt (if applicable):

Additional Justifications:
 This business case somewhat conversely trends with the Growth business case. If new revenue / hook-up significantly decreases, the funding for this business case may need to go up.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input checked="" type="checkbox"/> Medium Probability	<input type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).



Capital Program Business Case

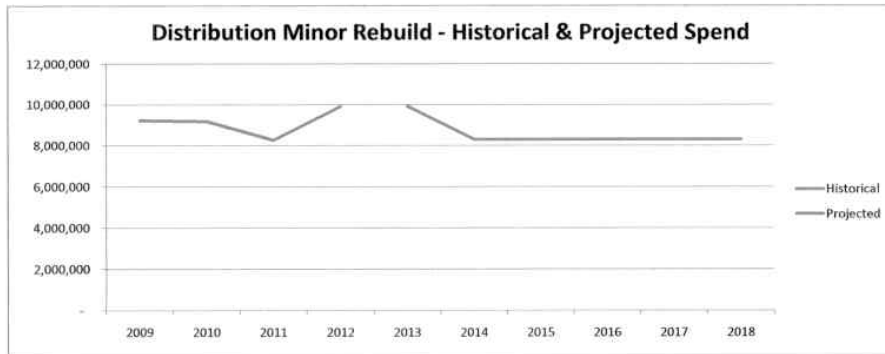
Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here

Prepared signature Laura Wilcox

Reviewed signature Alan E Fisher
 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Program



Bring back to \$8.3M in capital plan due to resources will be working on other T&D programs in 2014+

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Distribution Transformer Change-Out Program (“TCOP”)

ER No: 2535
ER Name: TCOP Related Distribution Rebuilds

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$20,924¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	813							90	121	106	109	193	193
2014	4,700	303	260	315	344	381	489	482	524	453	407	381	363
2015	6,900	386	345	445	498	557	756	749	765	697	606	556	539
2016	5,800	347	304	381	421	469	621	614	645	574	506	469	451

Business Case Description:

The Distribution Transformer Change-Out Program has three main drivers. First, the pre-1981 distribution transformers that are targeted for replacement average 42 years of age and are a minimum of 30 years old. Their replacement will increase the reliability and availability of the system. Secondly, the transformers to be replaced are inefficient compared to current standards. Thirdly, pre-1981 transformers have the potential to have PCB containing oil. The transformers to be removed early in the programs are those that are most likely to have PCB containing oil and their replacement will reduce the risk of PCB containing oil spills.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Distribution Transformer Change-Out Program	Assessments:	
Requested Amount	\$ 7,000,000	Financial:	Medium - >= 5% & <9% CIRR
Duration/Timeframe	25 Year Program	Strategic:	Life Cycle Programs
Dept., Area:	Asset Management & Process Improvement	Operational:	Operations require execution to perform at current levels
Owner:	Glenn Madden (Manager) & Al Fisher (Dir)	Business Risk:	ERM Reduction >5 and <= 10
Sponsor:	Don Kopczynski	Program Risk:	High certainty around cost, schedule and resources
Category:	Program	Assessment Score:	89
Mandate/Reg. Reference:	n/a	Annual Cost Summary - Increase/(Decrease)	

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
The Distribution Transformer Change-Out Program has three main drivers. First, the pre-1981 distribution transformers that are targeted for replacement average 42 years of age and are a minimum of 30 years old. Their replacement will increase the reliability and availability of the system. Secondly, the transformers to be replaced are inefficient compared to current standards and their replacement will result in energy savings. Thirdly, pre-1981 transformers have the potential to have pcb containing oil. The transformers to be removed early in the program are those that are most likely to have pcb containing oil and their replacement will reduce the risk of pcb containing oil spills which are a safety, environmental, and a public relations concern.	When completed save an average of 5.6 MW per hour and eliminate PCB environmental risks	\$ 5,800,000	\$ 105,000	\$ -	3
Annual Cost Summary - Increase/(Decrease)					

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score	
Unfunded Program:	No planned replacement program for distribution transformers. Substantially higher risk of a pcb containing oil spill occurring.	n/a	\$ 4,500,000	\$ 200,000	\$ 900,000	12
Alternative 1: Transformer Change-Out Program	The Distribution Transformer Change-Out Program has three main drivers. First, the pre-1981 distribution transformers that are targeted for replacement average 42 years of age and are a minimum of 30 years old. Their replacement will increase the reliability and availability of the system.	When completed save an average of 5.6 MW per	\$ 5,800,000	\$ 105,000	\$ -	3
Alternative 2:	Distribution Engineering has proposed that any pole that the TCOP does work on needs to have the guy replaced with the new standard guy insulator (fiber cable).		\$ 200,000	\$ -	\$ -	0
Alternative 3 Name :			\$ -	\$ -	\$ -	0

Program Cash Flows

5 years of costs

	Capital Cost	O&M Cost	Other Costs	Approved
2012	\$ 7,000,000	\$ 100,000	\$ -	\$ 6,000,000
2013	\$ 7,200,000	\$ 102,000	\$ -	\$ 3,524,015
2014	\$ 5,800,000	\$ 105,000	\$ -	\$ 4,700,000
2015	\$ 5,800,000	\$ 107,000	\$ -	\$ 6,900,000
2016	\$ 5,800,000	\$ 110,000	\$ -	\$ 5,800,000
2017				\$ -
2018				\$ -
Total	\$ 31,600,000	\$ 524,000	\$ -	\$ 26,924,015

Associated Ers (list all applicable):

Current ER	1003		
	2060		
	2535		

Mandate Excerpt (if applicable):

Additional Justifications:

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	

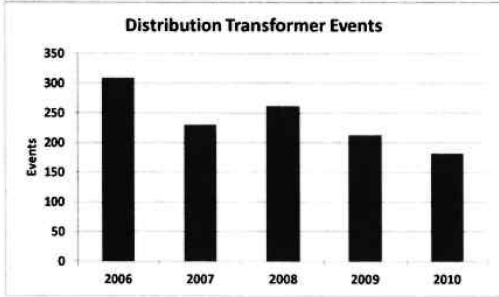


Capital Program Business Case

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Distribution Transformer Events	Distribution Transformer Oil Spills
	Distribution Transformer Energy Savings	



Prepared signature *John J. Madd*

Reviewed signature *Alan E. Fisher*
 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager

2006	309
2007	230
2008	262
2009	213
2010	182

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Distribution Wood Pole Management (“WPM”)

ER No: 2060
ER Name: Wood Pole Mgmt

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$38,310¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	4,436							607	615	434	485	1,169	1,124
2014	14,680	1,183	1,038	1,104	1,143	1,206	1,332	1,307	1,507	1,269	1,236	1,206	1,146
2015	15,873	1,215	1,071	1,167	1,222	1,300	1,487	1,463	1,647	1,409	1,345	1,300	1,240
2016	16,093	1,235	1,091	1,187	1,241	1,319	1,506	1,481	1,666	1,428	1,364	1,316	1,259

Business Case Description:

Distribution Wood Pole Management Program inspects all Electric Distribution Feeders on a 20 year cycle and repairs or replaces wood poles, cross arms, missing lightning arresters, missing grounds, bad cutouts, bad insulating pins, bad insulators, leaking transformers, replaces guy wires not meeting current code requirements on poles replaced by WPM, and replaces pre-1981 transformers.

Offsets:

The attached copy of the business case does not identify any O&M offsets. However, the company estimates the cost of an event associated with a bad wood pole based on crew response and labor is approximately \$600. The company has experienced a downward trend in wood pole related events. Based on this trend, the company projects a reduction of 144 events in 2015 (project 736 events) compared to 2013 (880 events). This is the same trend and prediction used for 2012 offset calculation. The company WA Offset is $\$86,400 \times 65.01\% = \$56,169$.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case



Investment Name:	Distribution Wood Pole Management	Assessments:	
Requested Amount	\$11,500,000	Financial:	7.42%
Duration/Timeframe	Indefinite Year Program	Strategic:	Life-cycle asset management
Dept., Area:	Asset Maintenance	Business Risk:	Business Risk Reduction >5 and <= 10
Owner:	Glenn Madden (Manager) & Heather Rosentrater/A	Program Risk:	High certainty around cost, schedule and resources
Sponsor:	Don Kopczynski		
Category:	Program		
Mandate/Reg. Reference:	NESC - See WPM Compliance Plan for details	Assessment Score:	93

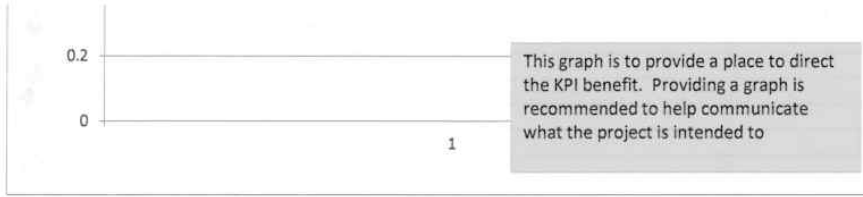
Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
Distribution Wood Pole Management Program inspects all Electric Distribution Feeders on a 20 year cycle and repairs or replaces wood poles, crossarms, missing lightning arresters, missing grounds, bad cutouts, bad insulating pins, bad insulators, leaking transformers, replaces guy wires not meeting current code requirements on poles replaced by WPM, and replaces pre-1981 transformers	Customer IRR = 7.42% and avoids an average of 1,700 additional events per year	Capital Cost	O&M Cost	Other Costs	
		\$ 11,172,022	\$ 530,943	\$ 5,996,350	15

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
<i>Status Quo</i> : No Wood Pole Management	Run wood poles and associated equipment to failure	Increase OMT events by 1,700 events	\$ 8,186,361		\$ 6,834,467	25
<i>Alternative 1: Distribution Wood Pole Management - 20 Year Inspection Cycle</i>	Distribution Wood Pole Management Program inspects all Electric Distribution Feeders on a 20 year cycle and repairs or replaces wood poles, crossarms, missing lightning arresters, missing grounds, bad cutouts, bad insulating pins, bad insulators, leaking transformers, and replaces pre-1981	Customer IRR = 7.94% and avoids an average of 1,700 additional events per year	\$ 10,712,022	\$ 530,943	\$ 5,996,350	15
<i>Alternative 2: Distribution Wood Pole Management - 20 Year Inspection Cycle with Guy Wire</i>	Distribution Wood Pole Management Program inspects all Electric Distribution Feeders on a 20 year cycle and repairs or replaces wood poles, crossarms, missing lightning arresters, missing grounds, bad cutouts, bad insulating pins, bad insulators, leaking transformers, replaces guy wires not	Customer IRR = 7.42% and avoids an average of 1,700 additional events per year	\$ 11,172,022	\$ 530,943	\$ 5,996,350	15
<i>Alternative 3 Name</i> : Distribution Wood Pole Management - 10 Year Inspection Cycle with Guy	Distribution Wood Pole Management Program inspects all Electric Distribution Feeders on a 10 year cycle and repairs or replaces wood poles, crossarms, missing lightning arresters, missing grounds, bad cutouts, bad insulating pins, bad insulators, leaking transformers, replaces guy wires not	Customer IRR = 7.66% and avoids an average of 2,250 additional events per year	\$ 17,296,437	\$ 961,699	\$ 4,920,632	10

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 9,893,700	\$ 507,337	\$ -	\$ 9,486,300
2013				\$ 9,851,686
2014	\$ 11,500,000	\$ 519,006	\$ -	\$ 9,486,300
2015	\$ 11,500,000	\$ 530,943	\$ 4,540,023	\$ 9,486,300
2016	\$ 11,500,000	\$ 543,155	\$ 4,564,898	\$ 9,486,300
2017	\$ 15,000,000	\$ 555,648	\$ 4,574,638	\$ 10,486,300
2018	\$ 15,000,000	\$ 570,094	\$ 4,588,630	\$ -

2060			

Capital Program Business Case



	WPM Estimate for each years w/ Guy Wire Replacem =	Total	Proposed WPM Capital Budget
WPM 2014:	\$10,712,022 +	\$11,172,022	\$11,172,022
WPM 2015:	\$10,673,453 +	\$460,000 =	\$11,389,522
WPM 2016:	\$10,571,162 +	\$460,000 =	\$11,031,162
WPM 2017:	\$10,608,892 +	\$460,000 =	\$11,068,892
WPM 2018:	\$10,585,416 +	\$460,000 =	\$11,045,416
			\$12,097,193

To be completed by Capital Planning Group
 Rationale for decision

Review Cycles
 2012-2016

Capital Program Business Case



Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Electric Replacement/Relocation

ER No: ER Name:

2056 Distribution Line Relocations

2061 WSDOT Franchise Requirements Construction

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$9,900¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	1,279							244	215	141	254	222	203
2014	2,300	219	188	186	186	191	184	179	230	179	189	191	178
2015	2,400	229	197	194	194	199	192	187	240	187	197	199	186
2016	2,500	237	205	202	202	207	201	195	249	195	205	207	194

Business Case Description:

This annual program will replace sections of existing infrastructure that require replacement due to relocation or improvement of streets or highways. Requirements may come from our franchise agreements, permits, or WA DOT. Avista installs many of its facilities in public right-of-way under established franchise agreements. Avista is required under the franchise agreements, in most cases, to relocate its facilities when they are in conflict with road or highway improvements.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Investment Business Case

Investment Name:	Elec Replacement and Relocation	Assessments:	
Requested Amount	\$ 2,700,000	Financial:	Medium - >= 5% & <9% CIRR
Duration/Timeframe	On-Going 2012+	Strategic:	Other
Dept., Area:	Gas and Electric Operations	Operational:	Operations require execution to perform at current levels
Owner:	AI Fisher	Business Risk:	ERM Reduction >10 and <= 15
Sponsor:	Don Kopczynski	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Mandatory	Assessment Score:	140
Mandate/Reg. Reference:	Franchise Agreements and Permits		

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
This annual program will replace sections of existing infrastructure that require replacement due to relocation or improvement of streets or highways. Requirements may come from our franchise agreements, permits, or WA DOT. Avista installs many of its facilities in public right-of-way under established franchise agreements. Avista is required under the franchise agreements, in most cases, to relocate its facilities when they are in conflict with road or highway improvements.		\$ 2,700,000	\$ -	\$ -	2

Alternatives:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
Status Quo : Avista would be out of compliance with established franchise agreements and/or permits if work is not completed.	n/a	\$ -	\$ -	\$ -	16
Alternative 1: Relocate facilities in conflict with street and highway projects where established franchise agreements and/or permits exist.	n/a	\$ 2,700,000	\$ -	\$ -	2
Alternative 2:		\$ -	\$ -	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):				
2012-2016					Current ER				
	Capital Cost	O&M Cost	Other Costs	Approved	2056				
Previous			\$ -	\$ -	2061				
2012	\$ 2,400,000	\$ -	\$ -	\$ 2,400,000					
2013	\$ 2,700,000	\$ -	\$ -	\$ 2,700,000					
2014	\$ 2,300,000	\$ -	\$ -	\$ 2,300,000					
2015	\$ 2,400,000	\$ -	\$ -	\$ 2,400,000					
2016	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000					
2017	\$ 2,600,000	\$ -	\$ -	\$ 2,600,000					
2018	\$ 2,700,000	\$ -	\$ -	\$ 2,700,000					
		\$ -	\$ -	\$ -					
Total	\$ 17,600,000	\$ -	\$ -	\$ 17,600,000					

Mandate Excerpt (if applicable):
 Franchise agreements, typical state highway and R/R permits and WA Department of Transportation prescribe that the utility will relocate at their expense when in conflict with entity activities.

Additional Justifications:
 Mandatory work to maintain compliance with existing franchise and operating permits with state highway districts and rail roads.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input checked="" type="checkbox"/> Medium Probability	<input type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)
 Expected Performance Improvements
 KPI Measure: N/A - Mandatory Work
 Fill in the name of the KPI here



Capital Investment Business Case

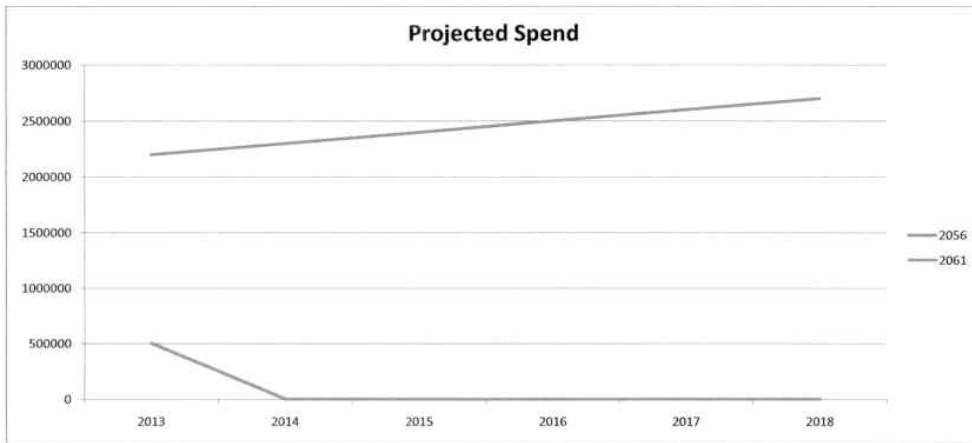
Prepared signature Laura Vickers

Reviewed signature Alan E Fisher
 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager

WSDOT Franchise work will be incorporated into ER2056 in years 2014 - 2018

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Program



To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Environmental Compliance

ER No: ER Name:

6000 PCB Identification & Disposal

6101 Forest Service Requirements

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$1,150¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	213												213
2014	250	4	4	44	7	8	50	12	11	49	9	8	46
2015	250	4	4	44	7	8	50	12	11	49	9	8	46
2016	250	4	4	44	7	8	50	12	11	49	9	8	46

Business Case Description:

Implementation of Forest Service Special Use Permits, waste oil disposal, including PCBs, and environmental compliance requirements related to storm water management, water quality protection, property cleanup and related issues, etc.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

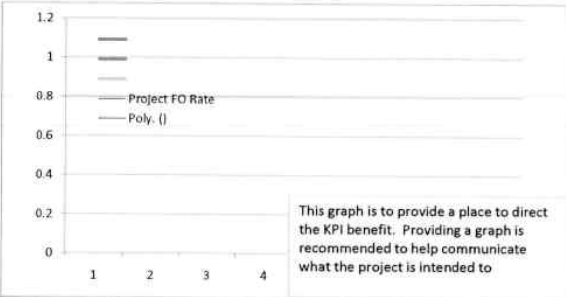


Capital Program Business Case

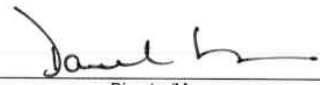
Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	annual meetings with the National Forest Service (NFS)
	Environmental Protection Agency
	WDOE



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 Director/Manager

Other Party Review signature (if necessary) _____
 Director/Manager

Capital Budget Projections

	2014	2015	2016	2017	2018	
ER 6000	150,000	150,000	150,000	150,000	150,000	PCB Waste Management
ER 6101	100,000	100,000	100,000	100,000	100,000	Permit Renewal/Implementation
ER 6002	200,000	200,000	200,000	200,000	200,000	Environmental Compliance Pullman Storm Water
E14	450,000	450,000	450,000	450,000	450,000	

-  Engineers Opinion Cost Estimant...
-  Avista SR 270 Site Storm Treat...

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Primary Underground Residential Distribution (“URD”) Cable Replacement

ER No: 2054
ER Name: Electric Underground Replacement

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$2,850¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	737							132	236	106	104	81	77
2014	1,000	39	30	29	91	134	186	185	138	81	30	30	27
2015	1,000	39	30	29	187	188	186	185	42	27	30	30	27
2016													

Business Case Description:

This effort involves replacing the first generation of Underground Residential District (URD) cable. This project has been ongoing for the past several years and focuses on replacing a vintage and type of cable that has reached its end of life and contributes significantly to URD cable failures.

Offsets:

The company estimates the cost of per underground cable outage based on crew response and labor is \$3,850. The company has experienced a downward trend in underground outages. Based on this trend, the company projects a reduction of 45 outages in 2015 (project 45 outages) compared to 2012 (72 actual outages). Therefore outage savings are anticipated to be \$103,950 total system or \$68,000 in WA.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



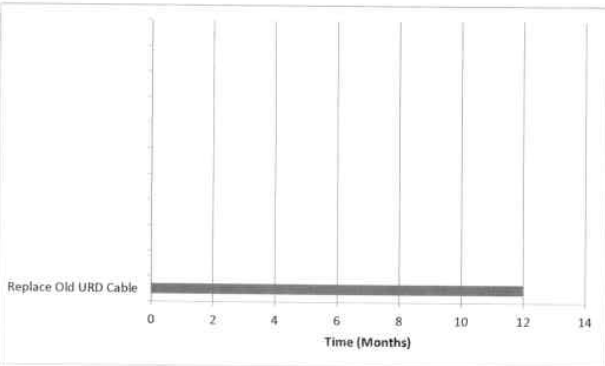
Capital Investment Business Case

Investment Name:	Primary URD Cable Replacement 2013	Assessments:	
Requested Amount	\$1,800,000	Financial:	MH - >= 9% & <12% CIRR
Duration/Timeframe	2 Year Project	Strategic:	Life Cycle Programs
Dept., Area:	Asset Management & Process Improvement	Operational:	Operations improved beyond current levels
Owner:	Kevin Christie	Business Risk:	ERM Reduction >5 and <= 10
Sponsor:	Jason Thackson	Project/Program Risk:	High certainty around cost, schedule and resources
Category:	Project	Assessment Score:	110
Mandate/Reg. Reference:	n/a		

Recommend Project Description:	Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Complete the replacement of the un-jacketed first generation of Primary URD cable	Customer IRR = 10% and avoids an average of 600 outages per year	\$ 1,800,000	\$ -	\$ -	4

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Status Quo :	Number of Primary URD Cable faults would increase and the cost to repair the cable would also increase. Without this work and the past 4 years of work, the increased O&M costs would sum up to \$8.8 million over the next 5 years.	Increase number of Outage towards 700	\$ -	\$ -	\$ 1,300,000	10
Alternative 1: Primary URD Cable Replacement	Complete the replacement of the un-jacketed first generation of Primary URD cable	Customer IRR = 10% and avoids an average of 600 outages per year	\$ 1,800,000	\$ -	\$ -	4
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Timeline



Construction Cash Flows (CWIP)

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 19,852,679	\$ -	\$ -	\$ 19,852,679
2012	\$ 1,800,000	\$ -	\$ -	\$ 1,982,000
2013	\$ 1,000,000	\$ -	\$ -	\$ 850,000
2014	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
2015	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
2016	\$ 1,000,000	\$ -	\$ -	\$ -
2017	\$ 1,000,000	\$ -	\$ -	\$ -
2018	\$ 1,000,000	\$ -	\$ -	\$ -
Future	\$ -	\$ -	\$ -	\$ -
Total	\$ 27,652,679	\$ -	\$ -	\$ 24,684,679

Milestones (high level targets)

November-11	Project Started	December-12	Plant In Service	mm/dd/yy	open
March-12	Project Plan	December-12	Project Complete	mm/dd/yy	open
June-12	Project Design	mm/dd/yy	open	mm/dd/yy	open
March-12	Major Procurement	mm/dd/yy	open		
September-12	Construction Start	mm/dd/yy	open		

Milestones should be general. In some cases it may be as simple as project start, project complete. Use your judgement on project progress so that progress can be measured.

Associated Ers (list all applicable):	Current ER	2054					
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Mandate Excerpt (if applicable):	
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Additional Justifications:	
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Resources Requirements: (request forms and approvals attached)



Capital Investment Business Case

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure: Primary URD Cable Events Avoided Outage Benefits		
KPI Description	Projected URD Cable - Primary OMT Events	Actual URD Cable - Primary OMT Events
2009	143	136
2010	119	93
2011	94	
2012	70	
2013	45	
2014	45	
2015	45	

the KPI benefit. Providing a graph is recommended to help communicate what the project is intended to.

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Reviewed signature  Director/Manager

Other Party Review signature  (if necessary) Director/Manager

Metric Description	Projected Avoided Costs due URD Cable - Pri Caused Outages	Actual Avoided Costs due to URD Cable - Pri Outages
2009	\$1,038,613	\$1,056,113
2010	\$1,228,275	\$1,295,225
2011	\$1,368,561	
2012	\$1,516,159	
2013	\$1,744,539	
2014	\$1,898,311	
2015	\$1,997,052	

arts, or other data that may be useful in evaluating the project

The 10% customer IRR comes from the 2010 5 Year Plan and Budget Summary document
 The ERM values come from the value of avoided outages associate with the early vintage of cable
 The average URD-Primary OMT outage affects an average of 33 customers for 3.5 hours
 Customer-Hours for base case = 700 * 33 * 3.5 = 80,850
 Customer-Hours for base case = 50 * 33 * 3.5 = 5,775

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Transmission - Reconductors and Rebuilds

ER No:	ER Name:
2310	West Plains Transmission Reinforce
2423	System Transmission: Rebuild Condition
2457	Benton-Othello 115 Recond
2549	Moscow City to North Lewiston 115kV Rebuild Project
2550	Burke-Thompson A&B 115kV Transmission Rebuild Project
2556	CDA-Pine Creek 115kV Transmission Line: Rebuild
2557	9CE-Sunset 115kV Transmission Line: Rebuild
2564	Devils Gap-Lind 115kV Transmission Rebuild Project
2574	Chelan-Stratford 115kV - Rebuild Columbia River Xing
2575	Garden Springs-Silver Lake 115kV - Rebuild H&W-SLK
2576	Addy-Devils Gap 115kV - Rec/Rebuild 266 & 397 Cond
2577	Benewah-Moscow 230kV - Structure Replacement
2582	Beacon-Bell-Francis & Cdr-Waikiki 115kV - Reconfigure

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$57,396¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	4,271								2		1,718		2,550
2014	11,797												11,797
2015	21,388												21,388
2016	24,637												24,637

Business Case Description:

This program reconductors and/or rebuilds existing transmission lines as they reach the end of their useful lives, require increased capacity, or present a risk management issue. Projects include: ER 2310 - West Plains Transmission Reinforcement, ER 2550 - Pine Creek-Burke-Thompson, ER 2557 9CE-Sunset Rebuild, ER 2423 - System Condition Rebuild, ER 2457 Benton-Othello Rebuild, ER2556 CDA-Pine Creek Rebuild, ER 2564 Devils Gap-Lind Major Rebuild, ER 2574 - Chelan-Stratford River Crossing Rebuild, ER 2576a Addy-Devils Gap Reconductor, ER 2575 Garden Springs-Silver Lake Rebuild, ER 2582 BEA-BEL-F&C-WAI Reconfiguration, ER 2577 BEN-M23 Rebuild, ER 25xa - Out-Year Transmission Rebuild.

Offsets:

After revenue requirements were finalized, it was determined that the savings included in the O&M adjustment should have included ERs for Burke-Pine Creek and Benton-Othello 115 based on reductions in line losses rather than Chelan-Stratford 115kV and Benton-Othello 115 based on estimated savings. The updated dollar amount of the O&M adjustment does not change due to this update. In addition, offsets were determined on the Bronx – Cabinet 115 kV rebuild/reconductor. The work involves several projects that have in service dates of November 2014 and November 2013. Therefore, we included two months worth of savings per project. For Burke-Thompson, the annual energy savings from reduced losses is 252 MWh in 2014 and 213MWh in 2015. Two months of which is 42MWh and 35.50MWh respectively. The MWh are multiplied by the avoided energy cost of \$44/MWh to arrive at \$1,848 (\$1,201 WA) and \$1,562 (\$1,015.46 WA) for 2014 and 2015. For Benton-Othello 115, the annual energy savings from reduced line losses is 962 MWh in 2014 and 1,388 MWh in 2015. Assuming two months of savings, the total loss savings are 160 MWh for 2014 and 231MWh for 2015. Assuming an avoided energy cost of \$44/MWh the 2014 savings is \$7,040 (\$4,577 WA) and \$10,164 (\$6,608 WA) for 2015. For Bronx – Cabinet, the annual energy savings from reduced line losses in 2014 is 572 annual or 95.34 MWh for two months. The associated offset is calculated by multiplying 95.34 by \$44/MWh to arrive at \$4,195 (\$2,727 WA) in 2014. In 2015, the MWh were 1,144 annually or 190.67 for two months. The associated savings were \$8,389 (\$5,454 WA). These additional savings should have been included in revenue requirements.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case



Investment Name:	Trans - Recon & Reblids	Assessments:	
Requested Amount	\$17,000,000	Financial:	10.00%
Duration/Timeframe	50 Year Program	Strategic:	Life-cycle asset management
Dept., Area:	T&D - TLD Engineering	Business Risk:	Business Risk Reduction >5 and <= 10
Owner:	Heather Rostentrater	Program Risk:	High certainty around cost, schedule and resources
Sponsor:	Don Kopczynski	Assessment Score:	
Category:	Program		
Mandate/Reg. Reference:	n/a		

Recommend Program Description:	#NAME?	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
This program reconstructs and/or rebuilds existing transmission lines as they reach the end of their useful lives, require increased capacity, or present a risk management issue. Projects include: ER 2310 - West Plains Transmission Reinforcement, ER 2550 - Pine Creek-Burke-Thompson, ER 2557 9CE-Sunset Rebuild, ER 2423 - System Condition Rebuild, ER 2457 Benton-Othello Rebuild, ER2556 CDA-Pine Creek Rebuild, ER 2564 Devils Gap-Lind Major Rebuild, ER 2574 - Chelan-Stratford River Crossing Rebuild, ER 2576a Addy-Devils Gap Reconstructor, ER 2575 Garden Springs-Silver Lake Rebuild, ER 2582 BEA-BEL-F&C-WAI Reconfiguration, ER 2577 BEN-M23 Rebuild, ER 25xa - Out-Year Transmission Rebuild.	Performance Improved performance (reduced losses), upgraded facilities, greater clearance, new life cycle, and greater load capabilities.	\$ 17,000,000	\$ -	\$ -	1

Alternatives:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
Unfunded Program: Transmission lines that would be rebuilt and/or reconducted under this program have 1) high loss conductor, or 2) deteriorated wood structures, or 3) corroded or deteriorated materials, or 4) insufficient clearance, or 5) inadequate capacity.	Med-High probability of a line overload, line failure, or injury/fine within the next 1-10 yrs.	\$ -	\$ -	\$ -	8
Alternative 1: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 2: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):			
	Capital Cost	O&M Cost	Other Costs	Approved				
Previous	\$ -	\$ -	\$ -	\$ -	2310	2549	2550	2557
2014	\$ 11,446,742	\$ -	\$ -	\$ 11,446,742	2423	2457	2556	2564
2015	\$ 21,412,946	\$ -	\$ -	\$ 21,412,946	2574	25xa	2576	2582
2016	\$ 24,536,134	\$ -	\$ -	\$ 24,536,134	2577	2575		
2017	\$ 18,102,393	\$ -	\$ -	\$ 18,102,393				
2018	\$ 6,500,000	\$ -	\$ -	\$ 6,500,000				
Total	\$ 81,998,215	\$ -	\$ -	\$ 81,998,215				

ER	2014	2015	2016	2017	2018	Total	Mandate Excerpt (if applicable):
2310	\$ -	\$ 25,000	\$ 1,000,000	\$ -	\$ -	\$ 1,025,000	provide brief citation of the law or regulation and a reference number if possible
2549	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2550	\$ 3,700,000	\$ 3,500,000	\$ -	\$ -	\$ -	\$ 7,200,000	
2557	\$ -	\$ 25,000	\$ 900,000	\$ -	\$ -	\$ 925,000	
2423	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,000,000	\$ -	\$ 9,500,000	
2457	\$ 2,500,000	\$ 3,600,000	\$ 3,500,000	\$ -	\$ -	\$ 9,600,000	
2556	\$ 25,000	\$ -	\$ 4,500,000	\$ 5,750,000	\$ 2,500,000	\$ 12,775,000	
2564	\$ 2,346,742	\$ 3,947,144	\$ 4,050,558	\$ -	\$ -	\$ 10,344,444	
2574	\$ 350,000	\$ -	\$ -	\$ -	\$ -	\$ 350,000	
25xa	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
2576	\$ -	\$ -	\$ -	\$ 25,000	\$ 2,000,000	\$ 2,025,000	Additional Justifications: Obligation to serve: Specific transmission lines require rebuild or reconductor for increased capacity due to load growth. Risk Management: Specific transmission lines require rebuild to reduce potential public injury risks.
2582	\$ -	\$ -	\$ 25,000	\$ 2,000,000	\$ -	\$ 2,025,000	
2577	\$ 25,000	\$ 7,815,802	\$ 8,060,576	\$ 8,302,393	\$ -	\$ 24,203,771	
2575	\$ -	\$ -	\$ -	\$ 25,000	\$ 2,000,000	\$ 2,025,000	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ 11,446,742	\$ 21,412,946	\$ 24,536,134	\$ 18,102,393	\$ 6,500,000	\$ 81,998,215	

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO
 Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

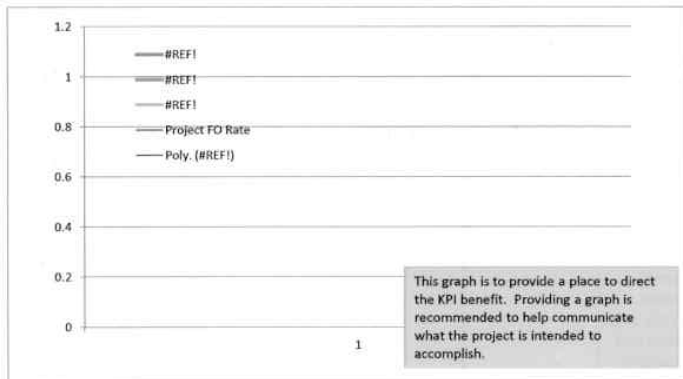
Key Performance Indicator(s)

Expected Performance Improvements



Capital Program Business Case

KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here



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Reviewed signature [Signature]
 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Program

To be completed by Capital Planning Group		Review Cycles	
Rationale for decision		2012-2016	
		Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Segment Reconductor and FDR Tie Program

ER No: ER Name:

2514 Distribution - Spokane North & West

2515 Distribution - CdA East & North

2516 Distribution - Pullman & Lewis Clark

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$14,115¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	1,473									3	270	450	750
2014	2,653	3	3	3	3	3	3	3	3	3	3	3	2,520
2015	3,074	50	50	669	50	50	669	50	50	669	50	50	669
2016	2,702	50	50	575	50	50	575	50	50	575	50	50	575

Business Case Description:

Distribution planning has identified a number of thermal constraints on the system where "segment reconductor" work is warranted to mitigate thermally overloaded conductor. In addition, a number of urban feeder tie additions are required to meet the Company's 500 Amp feeder plan also known as the "feeder and one-half" plan. This work is planned and coordinated with assistance from the five (5) Area Engineers in Spokane, Big Bend, Colville, Coeur'd Alene, and Pullman. Annual spend varies from year-to-year but the operational premise is constant: mitigate thermally overloaded conductor, mitigate known or emerging voltage issues, and establish FDR tie points in compliance with the Company's 500A Feeder Plan.

Offsets:

O&M offsets associated with this business case may occur in the future, however, they are not quantifiable at this time.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Segment Reconductor and FDR Tie Pgm	Assessments:	
Requested Amount	4,000,000 (variable, see below)	Financial:	MH - >= 9% & <12% CIRR
Duration/Timeframe	On-going Year Program	Strategic:	Reliability & Capacity
Dept., Area:	Engineering	Operational:	Operations require execution to perform at current levels
Owner:	Rosenrater/James	Business Risk:	ERM Reduction >5 and <= 10
Sponsor:	Don Kopczynski	Program Risk:	Moderate certainty around cost, schedule and resources
Category:	Program	Assessment Score:	84
Mandate/Reg. Reference:	n/a	Annual Cost Summary - Increase/(Decrease)	

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Distribution planning has identified a number of thermal constraints on the system where "segment reconductor" work is warranted to mitigate thermally overloaded conductor. In addition, a number of urban feeder tie additions are required to meet the Company's 500 Amp feeder plan also known as the "feeder and one-half" plan. This work is planned and coordinated with assistance from the five (5) Area Engineers in Spokane, Big Bend, Colville, Coeur'd Alene, and Pullman. Annual spend varies from year to year but the operational premise is constant: mitigate thermally overloaded conductor, mitigate known or emerging voltage issues, and establish FDR tie points in compliance with the Company's 500A Feeder Plan.	Investments necessary to maintain current operations and to extend the life of current assets.	\$ 3,100,000			4

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	ERM Risk Score
Unfunded Program:	n/a	\$ -	\$ -	\$ -	25
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	4
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0

Program Cash Flows	Associated Ers (list all applicable):			
5 years of costs	Capital Cost	O&M Cost	Other Costs	Approved
2012	\$ 4,605,000		\$ -	\$ 3,605,000
2013	\$ 4,300,000		\$ -	\$ 3,285,229
2014	\$ 3,900,000		\$ -	\$ 3,455,000
2015	\$ 4,220,000		\$ -	\$ 3,875,000
2016	\$ 3,500,000		\$ -	\$ 3,500,000
2017	\$ 3,475,000		\$ -	\$ 3,475,000
2018	\$ 4,000,000		\$ -	\$ 4,000,000
Total	\$ 28,000,000	\$ -	\$ -	\$ 25,195,229

Mandate Excerpt (if applicable):

Additional Justifications:
 This program is a foundational element of our overall effort to maintain the electric delivery system. While many of the asset management programs such as WPM, PCB transformers, Worst Feeders, URD Cable replacement, are targeted efforts to maintain or improve reliability, this program specifically identifies thermal, voltage, and FDR tie issues amongst 345 individual electric circuits. This program represents the collective effort of distribution planners and area engineers to manage our ability to serve customer load reliably, efficiently, and securely.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).



Capital Program Business Case

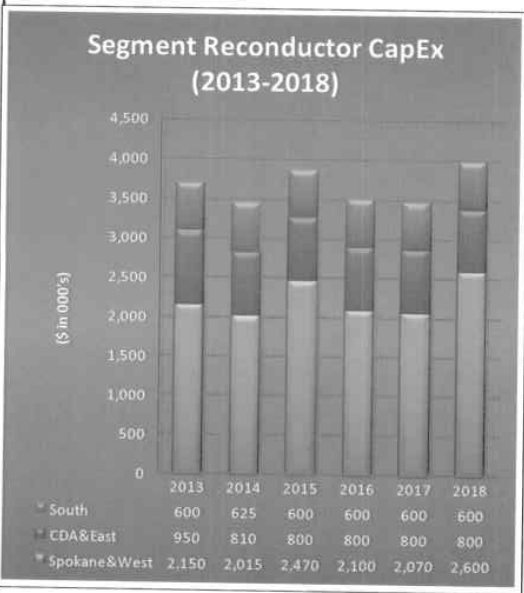
Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Dx System Capacity Increase
	Dx System 500A Plan Compliance



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 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager



ROX 751 - Reconductor (see 2414) Mica Peak Cnv to URD Deer Lake Xing COB 12F2 Green Bluff Tie LOO 12F2 Deer Lk Narrows Xing COB 12F1 Recond Midway 1 MI DEE 12F2 Bear Lk-Antler Tie DEE 12F2 Recond to LOO 12F1 SOT 522/523 - Recond- 6A WAS781 - Interset Poles LL - Cnv OH to UG (USFWS) LIB 12F2 - Henry Rd Tie CHE 12F1-12F4 Tie on Bowdish U District FDR Tie Trent Ave DEE 12F2 - Recond 2/0 ACSR LIB 12F1-EFM 12F2 Rocky Hill Tie BKR 12F2 - Tie to EFM 12F1 3HT 12F7 Tie U District Loop BKR 12F2 Recond 2/0 CU on Mission EFM 12F1 - State Ln Bridge - Conv OH/UG 9CE 12F4 Recond 336 9CE 12F2 - Tie to Chester 12F2 SLK 12F1 - Recond 2.1 mi C&W 12F4 - Tie to 3HT 12F7 9CE 12F3 Thierman/Mission Rcd 1 mi BKR 12F1 - Liberty Lk 12F2 on Mission CHW12F2- Angel Pk Recond 0.75mi GRN12F1 Tie to CLV12F2 4.5 mi GIF 34F1 - CHW 12F3 FDR Tie CLV 34F1 - Kelly Hill Rbld CHW 12F2- Flowery Trail Recond GIF 34F1 Midline GRN 12F2 Recond 4.1 Mi Old Kettle Rd CHW 12F4 Recond near Ctrwd Road CLV 12F4 Recond 1.6 mi KET 12F2 - Chg FDR Voltage to 13.2 kv DVP 12F2 Recond 6 miles Hwy 2 SPG 761 - Recond Small CU LIN 711 - Convert to 25 kv - tie Rox751 LIB 12F3 Rcd W Side Lib Lk NW 12F3 tie INT 12F1 Strong Rd URD COB 12F2 Bernhill Rd Rcd 2 ACSR 3HT 12F1-12F5 Tie at Iron Bridge BKR 12F3 Recond 1 mi-Central Premix COB 12F1 - Split FDR BKR 12F3 & SIP 12F3 Recond 1mi 3HT 12F3 Recond 2/0 Switch #980 MIL 12F2 ti to 12F3 Northwoods URD SIP General Upg WAK 12F1-12F4 Tie MIL12F4 tie OPT12F2 Mirabeau URD BEA 12F6-9CE 12F1 Hav. Rcd 1/0 ACSR FWT 12F4 - C&W 12F5 River Xing INT 12F2 Recond 2 mile-Rutter Pkwy COB 12F2 Recond Bernhill to Greenbluff INT 12F2 - DEE 12F1 Improve Tie LIB 12F2 Cnv to OH/UG at Mica Pk SUN 12F4 - Reconductor 2/0 @ SIA SUN 12F2 - Replace Sw 475 w/ Recloser DEE 12F1 Midline (protection req.) SUN 12F4 replace midline 249R SIP 12F3 to BKR (Central Premix) LIB 12F1 - EFM 12F2 Rocky Hill Tie BKR 12F3 Recond 2/0 ACSR 1 mi CLV Area Switched Banks CHW 12F3- ARD 12F2 FDR Tie (5 mi UG) LF34F1- Midline CLV 34F1 Midline OSB 521 - Recond/Viper for Coeur Mine OLD - Dx Tie Recond DAL 131 Recond 1.5 mi DAL 131 - Recond 1.4 mi DAL 131 - Recon 0.8 mi (lakeshore) DAL 133 - Add 1-ph 3.1 miles PF 213 - Recond 1.2 mi Riverbend Pk HUE 142 - Extend 3ph 0.5 mi DAL 134- Coldwater Ck Loop BLU 321 Recond 3 mi (Silver Beach) LKV 343 - Conv 6 mi to UG PVW 241 - Ext 1 mi BLU 321- Recond 1.2 mi PIN 442- Recond 1 mi WAL 544- Recond for Star Mine OGA 611 - Recond 1.5 mi PIN 441 - Reconductor FDR Tie SAG 741 - Recond Lignite 9200 ft SPT 4521 - River Xing & Reloc at Sundowner OLD 721 - create UG loop for Ind Pk RAT 233 - Recond Hwy 41 to 2/0 ACSR PVW 243 - Cap Bank Riverbend Comm PF 213 - Recond McGuire Road BLU 321 - Rbld & UG near Tony's Rest CDA 125- Recond #6 Crapo Dalton & 17th CDA 124- Recond NIC Loop HOL 1206 - Recond 3700' SLW 1358 Extend ORO 1281 TEN 1253 - 1 mi recond & regs CFD 1210 - Recond #6 CU PAL 312 - Add Phase MOS 515 tie to 512 CFD 1211-ext 556 trunk 2miles DRY 1209-rebuild 5mi towards Silcott LOL 1359 - 2-3miles of lateral rblid PDL1201 tie to PDL 1208 PDL 1203 - 3ph loop, so portion TEN 1255 - recond. 75 mi at 5th & Cedar TEN 1257 - 1 mi lateral rblid ORO 1281 - 1 mi recond at sub WSU Steam plant - cable & conduit CFD 1211- Regs at 1.5 miles GRV 1273 - Regs at Orogrande and E City SWT 2403 - Cap bank at Lapwai WIK1279 - extend 2 ph Hwy 95 & Denver GRV 1272 tie to WIK 1278 so of hwy NLEW13 - addt river xing DRY 1208 tie to PDL 1202 - Fair & 13th SLW 1348 tie to SLW 1358 - 15th & 8th IFG Integration TEN 1256 - midline TEN 1257 tie to LOL 1266 ORO 1281-midline KOO 1299-midline JPE 1287-midline KAM-KOO tieline LEO 611-U/B with M115-N Lew Recond SPU Bishop Blvd URD Inc Cap.

To be completed by Capital Planning Group	
Rationale for decision	Review Cycles
	2012-2016
	Date
	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution
Business Case Name: Downtown Spokane Electric Network

ER No: ER Name:
2058 Spokane Electric Network Increase Capacity
2237 Metro FDR Upgrade
2251 Post St-Improvement/Upgrades

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$9,200¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	1,413							115	177	189	549	192	192
2014	2,300	191	191	191	191	191	191	191	191	191	191	191	191
2015	2,300	191	191	191	191	191	191	191	191	191	191	191	191
2016	2,299	192	192	192	192	192	192	192	192	192	192	192	192

Business Case Description:

Avista owns and maintains an underground electric network that serves the core business district of downtown Spokane. The network is unique to Avista’s electric distribution and requires specialized material, equipment, tooling, and training to perform maintenance repair, planned replacement, and capacity growth projects. The scope of annual capital replacements and additions includes: 10,000 feet of secondary cable, 5,000 feet of primary cable, 15 manholes, and 5 vaults/vault roofs.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Spokane Elec. Network	Assessments:	
Requested Amount	\$2,300,000 annually	Financial:	MH - >= 9% & <12% CIRR
Duration/Timeframe	n/a Year Program	Strategic:	Life Cycle Programs
Dept., Area:	Engineering	Operational:	Operations require execution to perform at current levels
Owner:	Rosenrater/James	Business Risk:	ERM Reduction >5 and <= 10
Sponsor:	Don Kopczynski	Program Risk:	High certainty around cost, schedule and resources
Category:	Program	Assessment Score:	97
Mandate/Reg. Reference:	n/a	Annual Cost Summary - Increase/(Decrease)	

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Avista owns and maintains an underground electric network that serves the core business district of downtown Spokane. Topology in the Network is unique to Avista electric distribution and requires specialized material, equipment, tooling, and training to perform maintenance repair, planned replacement, and capacity growth projects. The scope of annual capital replacements and additions includes: 10,000 feet of secondary cable, 5,000 feet of primary cable, 15 manholes, and 5 vaults/vault roofs. Electric revenues associated with the Spokane Network are approximately \$15-20M.	Investments necessary to maintain current operations and to extend the life of current assets.	\$ 2,300,000	\$ 315,000		6

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Unfunding Network operations assumes zero PM activities and an eventual loss system functionality.	\$ -	\$ -	\$ -	25
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	6
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0

Program Cash Flows	Associated Ers (list all applicable):			
5 years of costs	Current ER	2058	2237	2251
	CapX Repl.	Metro PILC	Post St PILC	
	Capital Cost	O&M Cost	Other Costs	Approved
2012	\$ 2,150,000	\$ 315,000	\$ -	\$ 2,150,000
2013	\$ 2,300,000	\$ 315,000	\$ -	\$ 2,300,007
2014	\$ 2,300,000	\$ 315,000	\$ -	\$ 2,300,000
2015	\$ 2,300,000	\$ 315,000	\$ -	\$ 2,300,000
2016	\$ 2,300,000	\$ 315,000	\$ -	\$ 2,300,000
2017	\$ 2,300,000	\$ 315,000	\$ -	\$ 2,300,000
2018	\$ 2,300,000	\$ 315,000	\$ -	\$ 2,300,000
Total	\$ 15,950,000	\$ 2,205,000	\$ -	\$ 15,950,007

Mandate Excerpt (if applicable):
 Various WUTC tariff schedules are associated with customer classifications in downtown Spokane. NESC/WAC govern public and worker safety.

Additional Justifications:
 Service to the core business district in Spokane is afforded a much higher level of service reliability than other urban or rural areas. This reflects the importance of continuous service to hospitals, law enforcement, city government, banking, legal, commerce, and retail sectors of the local economy.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Capital Program Business Case



Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Plan to Actual
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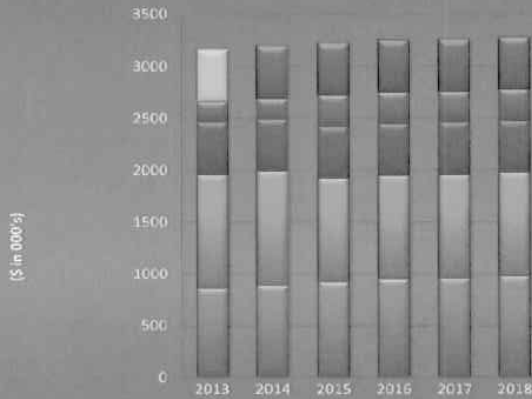


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 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager

Spokane Sec. Network
 (2013-2018)



	2013	2014	2015	2016	2017	2018
# Post St PILC	500					
# Metro PILC		500	500	500	500	500
# Growth	200	200	300	300	300	300
# Vaults & Manholes	500	500	500	500	500	500
# Elec. Equip. Capital Replacement	1100	1100	1000	1000	1000	1000
# Transformers & Protectors	860	890	920	950	960	980

3 Work Plan Actual (conductor feet, equipment counts)

	Scdry/Svc Cable	Primary Cable	XFMR	Vaults HH/MH	Lights
JAN	0	0	1	0	0
FEB	1488	200	0	0	0
MAR	0	0	0	1	3
APR	0	1904	0	2	1
MAY	355	1315	4	5	0
JUN	80	1378	0	1	0
JUL	366	2626	1	0	2
AUG	0	2587	1	3	1
SEP	1614	138	2	0	0
OCT	0	0	0	3	0
NOV					
DEC					
TOTALS	3903	10148	9	15	7



To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Storm Related Electric Transmission and Distribution Capital Project

ER No: ER Name:

2051 Electric Transmission Plant-Storm

2059 Failed Electric Dist Plant-Storm

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$13,600¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	2,984							216	330	776	1,019	315	329
2014	3,300	401	306	261	240	230	218	209	300	229	267	310	327
2015	3,400	412	314	269	249	238	226	216	311	236	275	319	335
2016	3,500	425	323	277	256	245	233	222	319	243	283	329	346

Business Case Description:

This program will replace cross arms, poles and structures as required due to storms, fires on distribution and transmission lines.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Storms				
Requested Amount	\$	3,300,000	Assessments:		
Duration/Timeframe	On-Going	Year Program	Financial:	Medium - >= 5% & <9% CIRR	
Dept., Area:	Operations		Strategic:	Reliability & Capacity	
Owner:	Al Fisher		Operational:	Operations require execution to perform at current levels	
Sponsor:	Don Kopczynski		Business Risk:	ERM Reduction >15	
Category:	Program		Program Risk:	Moderate certainty around cost, schedule and resources	
Mandate/Reg. Reference:	n/a		Assessment Score:	98	
Recommend Program Description:					
This program will replace crossarms, poles and structures as required due to storms, fires on distribution and transmission lines.					
Annual Cost Summary - Increase/(Decrease)					
	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
		\$ 3,300,000	\$ -	\$ -	4
Alternatives:					
Status Quo :	If we do not replace our failed infrastructure due to storms and fire, Avista will risk having an unreliable system, increased O&M costs to repair, and decreased customer satisfaction.	n/a	??	\$ -	25
Alternative 1: Brief name of alternative (if applicable)	This program will replace crossarms, poles and structures as required due to storms, fires on distribution and transmission lines.	\$ 3,300,000	\$ -	\$ -	4
Alternative 2: Brief name of alternative (if applicable)		\$ -	\$ -	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)		\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):				
5 years of costs					Current ER				
	Capital Cost	O&M Cost	Other Costs	Approved		2051			
						2059			
2012	\$ 3,300,000	\$ -	\$ -	\$ 3,300,000					
2013	\$ 3,400,000	\$ -	\$ -	\$ 3,400,000					
2014	\$ 3,300,000	\$ -	\$ -	\$ 3,300,000					
2015	\$ 3,400,000	\$ -	\$ -	\$ 3,400,000					
2016	\$ 3,500,000	\$ -	\$ -	\$ 3,500,000					
2017	\$ 3,500,000			\$ 3,500,000					
2018	\$ 3,500,000			\$ 3,500,000					
Total	\$ 23,900,000	\$ -	\$ -	\$ 23,900,000					

Mandate Excerpt (if applicable):

Additional Justifications:

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input checked="" type="checkbox"/> Medium Probability	<input type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).



Capital Program Business Case

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here

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Reviewed signature *Alan E. Fisher*
 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Program

To be completed by Capital Planning Group	
Rationale for decision	Review Cycles 2012-2016
	Date
	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Substation - 115 kV Line Relay Upgrades

ER No: 2217
ER Name: Spokane-CDA 115 kV Line Relay Upgrades

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$3,150¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	350											350	
2014	950				325			75		250		50	250
2015	900			125	125		100	125	100		125	125	75
2016	850		150	125			125	200	125			125	

Business Case Description:

The 115 kV Transmission line relaying in the greater Spokane-Couer d'Alene area needs to be upgraded. Per System Protection's revised memo dated 10/25/07, the relaying and communications must be upgraded to eliminate false trips and mis-coordination of relays as well as the requirement to trip lines quickly enough to avoid system transient instability, which could lead to cascading outages. The first two years of the project completed the installation of fiber optic communications to all the required substations. Year Two marked the beginning of relay upgrades in the Spokane area, and the remainder of the project will complete the relay upgrades as planned.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case



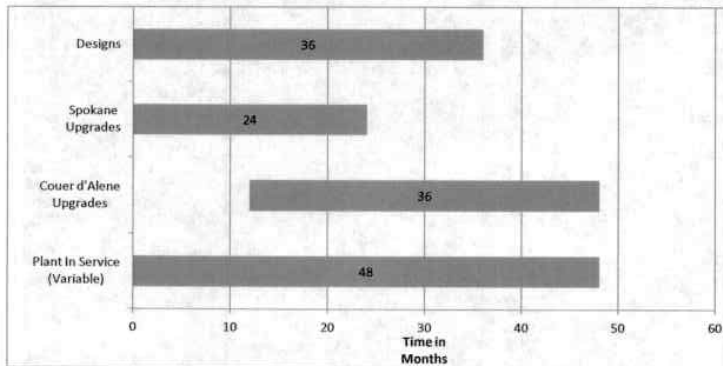
Investment Name:	Substation - 115 kV Line Relay Upgrades	Assessments:	
Requested Amount	\$7,274,676	Financial:	Medium - >= 5% & <9% CIRR
Duration/Timeframe	7 Year Project	Strategic:	Reliability & Capacity
Dept., Area:	T&D - Substation Engineering	Operational:	Operations require execution to perform at current levels
Owner:	Heather Rosentrater	Business Risk:	ERM Reduction >0 and <= 5
Sponsor:	Don Kopczynski	Project/Program Risk:	High certainty around cost, schedule and resources
Category:	Project	Assessment Score:	79
Mandate/Reg. Reference:	n/a		

Recommend Project Description:	Performance	Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
The 115 kV Transmission line relaying in the greater Spokane-Couer d'Alene area needs to be upgraded. Per System Protection's revised memo dated 10/25/07, the relaying and communications must be upgraded to eliminate false trips and mis-coordination of relays as well as the requirement to trip lines quickly enough to avoid system transient instability, which could lead to cascading outages. The first two years of the project completed the installation of fiberoptic communications to all the required substations. Year Two marked the beginning of relay upgrades in the Spokane area, and the remainder of the project will complete the relay upgrades as planned.	Improved comm., relay operation, & avoidance of potential large system outage problems.	\$ 7,274,676	\$ -	\$ -	1

Alternatives:		Performance	Cost Summary - Increase/(Decrease)			Business Risk Score
Status Quo:			Capital Cost	O&M Cost	Other Costs	
Status Quo:	Under certain operating conditions and fault scenarios, our 115 kV system in the greater Spokane-Couer d'Alene area is susceptible to potentially large transmission outages. Existing protection schemes and equipment cannot operate quickly enough to prevent these scenarios from occurring.	n/a	\$ 100,000	\$ 500,000	\$ 500,000	6
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Timeline

Construction Cash Flows (CWIP)



	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 2,624,675	\$ -	\$ -	\$ 2,624,675
2012	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
2013	\$ 1,250,000	\$ -	\$ -	\$ 400,001
2014	\$ 1,250,000	\$ -	\$ -	\$ 1,000,000
2015	\$ 1,000,000	\$ -	\$ -	\$ 1,000,000
2016	\$ -	\$ -	\$ -	\$ 750,000
2017	\$ -	\$ -	\$ -	\$ 500,000
2018	\$ -	\$ -	\$ -	\$ -
Future	\$ -	\$ -	\$ -	\$ -
Total	\$ 7,124,675	\$ -	\$ -	\$ 7,274,676

Milestones (high level targets)

January-09	Start Communications Infrastructure - Spokane	January-13	Start Couer d'Alene Area Relay Upgrades
January-10	Start Communications Infrastructure - Couer d'Alene	December-16	Complete Spokane Area Relay Upgrades
January-10	Start Relay Upgrades - Spokane	December-17	Complete Couer d'Alene Area Relay Upgrades
December-10	Complete Communications Infrastructure		
January-11	Continue Spokane Area Relay Upgrades		

Associated Ers (list all applicable):	2217						
--	------	--	--	--	--	--	--

Mandate Excerpt (if applicable):	Obligation to serve: Maintain a reliable system that meets customer demand and reliability standards.
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Additional Justifications:	This project is already in construction. Additional documentation is available upon request including System Protection Documentation, Proposed Schedules and Priorities, Internal Substation Memos, meeting notes, etc.
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Capital Investment Business Case

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)

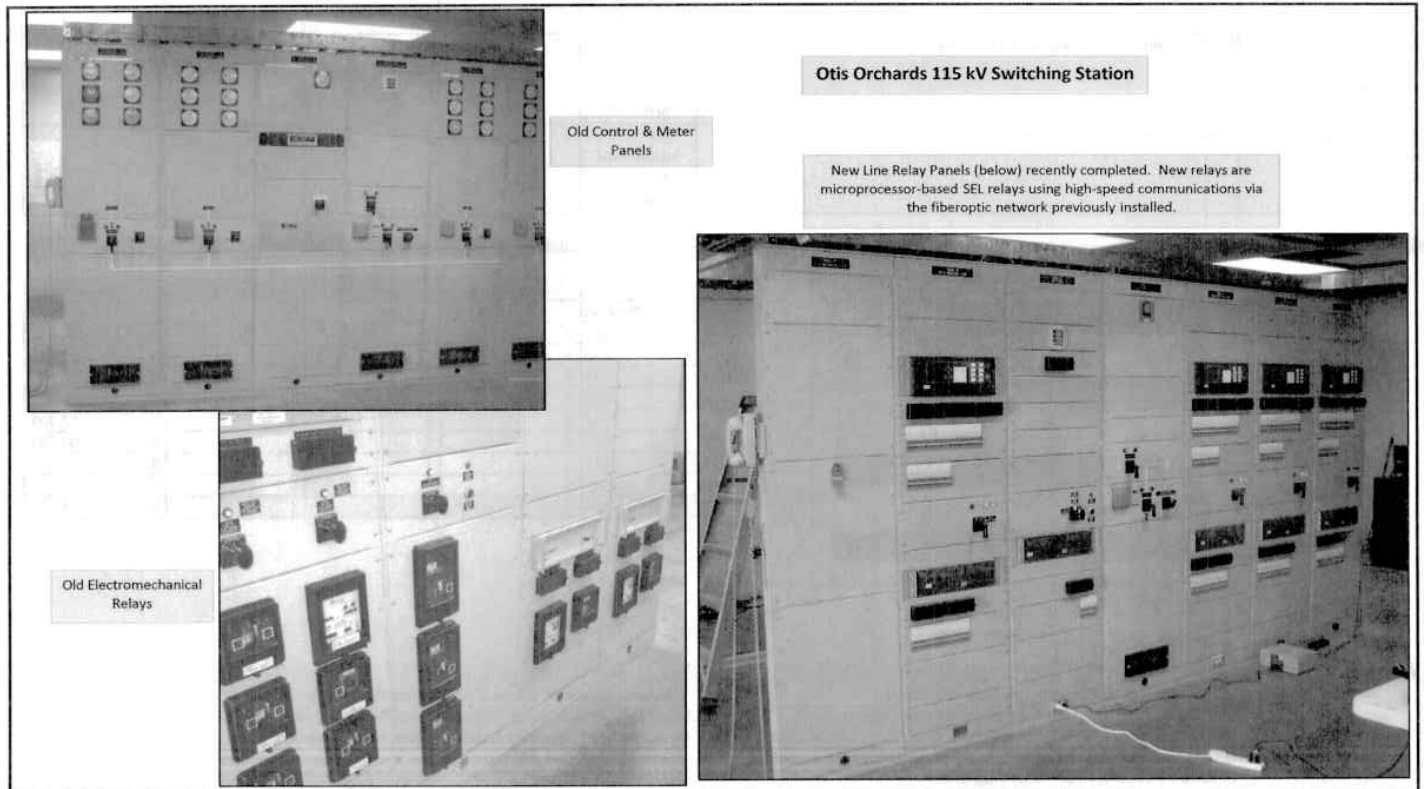
Expected Performance Improvements

KPI Measure: Complete 3 Line Relay Upgrades per year.

Prepared Michael A. Magruder
 Mike Magruder, Manager - Substation Engineering

Reviewed Heather Rosentrater
 Heather Rosentrater, Director - ENSO

Reviewed Andy Vickers
 Andy Vickers, Director - GPSS



To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Substation - Asset Mgmt. Capital Maintenance

ER No:	ER Name:
2210	System-Working Space
2215	System - Replace High Voltage Breakers
2252	System - Replace/Install Relays
2253	System - Upgrade Meters
2260	System - Upgrade Surge Protection
2275	System - Rock/Fence Restore
2278	System-Replace Obsolete Reclosers
2280	System - Replace Obsolete Circuit Switchers
2293	SCADA - Install/Replace
2294	System - Batteries
2336	System - Replace Dist Power Xfmrs
2343	System - Replace/Install Substation Structures
2397	System - Install/Replace Borderline Metering
2425	System - High Voltage Fuse Upgrades
2449	System - Replace Substation Air Switches
2481	System-Replace/Install Capacitor Banks
2492	System-Install Autotransformer Diagnostic Monitor
2493	System-Replace/Upgrade Voltage Regulators
2505	System-Replace Current & Potential Devices
2273	Beacon ST YD-Oil Contain

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$16,400¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	1,786							36	672	518	58	415	88
2014	4,100	220	345	162	363	1,537	220	100	392	262	406	87	
2015	4,100	220	345	162	363	1,537	220	100	392	262	406	87	
2016	4,100	220	345	162	363	1,537	220	100	392	262	406	87	

Business Case Description:

This program installs, replaces, or upgrades substation apparatus via Asset Management planning or emergency replacements. All obsolete, end-of-life, or failed apparatus are covered under this program. Apparatus includes panel houses and associated equipment, high voltage breakers, relays, metering, surge arresters, rock and fence, low voltage breakers/reclosers, circuit switchers, SCADA systems, batteries and chargers, power transformers, high voltage fuses, air switches, capacitor banks, autotransformer diagnostic equipment, step voltage regulators, and instrument transformers.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Substation - Asset Mgmt. Capital Maintenance		
Requested Amount	\$4,100,000		
Duration/Timeframe	40 Year Program		
Dept., Area:	T&D - Substation Engineering		
Owner:	Heather Rosentrater		
Sponsor:	Don Kopczynski		
Category:	Program		
Mandate/Reg. Reference:	n/a		
Assessments:	Financial: Medium - >= 5% & <9% CIRR Strategic: Life Cycle Programs Operational: Operations require execution to perform at current levels Business Risk: ERM Reduction >5 and <= 10 Program Risk: High certainty around cost, schedule and resources Assessment Score: 89		
Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease)	
This program installs, replaces, or upgrades substation apparatus via Asset Management planning or emergency replacements. All obsolete, end-of-life, or failed apparatus are covered under this program. Apparatus includes panelhouses and associated equipment, HV breakers, relays, metering, surge arresters, rock and fence, LV breakers/reclosers, circuit switchers, SCADA systems, batteries and chargers, power transformers, HV fuses, air switches, capacitor banks, autotransformer diagnostic equipment, step voltage regulators, and instrument transformers.	Renew asset life cycle; remove obsolete, end of life apparatus; upgrade; install new apparatus	Capital Cost	O&M Cost
		\$ -4,100,000	\$ -
		Other Costs	Business Risk Score
		\$ -	2

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Maintain (to the best of our ability) all obsolete or end-of-life apparatus. Repair or replace equipment on emergency basis only. Some repairs would not be possible due to obsolescence. Considerably more, and longer, customer outages would result.	n/a	\$ 500,000	\$ 1,000,000	\$ 500,000	12
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):				
5 years of costs					2210	2215	2252	2253	2260
	Capital Cost	O&M Cost	Other Costs	Approved	2275	2278	2280	2293	2294
2012	\$ 4,100,000	\$ -	\$ -	\$ 4,100,000	2326	2336	2343	2397	2425
2013	\$ 4,100,000	\$ -	\$ -	\$ 4,100,020	2449	2481	2492	2493	2505
2014	\$ 4,100,000	\$ -	\$ -	\$ 4,100,000					
2015	\$ 4,100,000	\$ -	\$ -	\$ 4,100,000					
2016	\$ 4,100,000	\$ -	\$ -	\$ 4,100,000					
2017	\$ 4,100,000	\$ -	\$ -	\$ 4,100,000					
2018	\$ 4,100,000	\$ -	\$ -	\$ 4,100,000					
Total	\$ 28,700,000	\$ -	\$ -	\$ 28,700,020					

Mandate Excerpt (if applicable):

Additional Justifications:
 In general, this program is required for operations to perform at current levels as assessed above. However, it could easily be argued that the end results of Capital Maintenance actually improve operations beyond current levels as obsolete equipment is often replaced with apparatus of higher capacity and/or newer technology. If prudent, and if time, resources, and funding allow, we will take every opportunity to make improvements to substation operations when we perform Capital Maintenance.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).



Capital Program Business Case

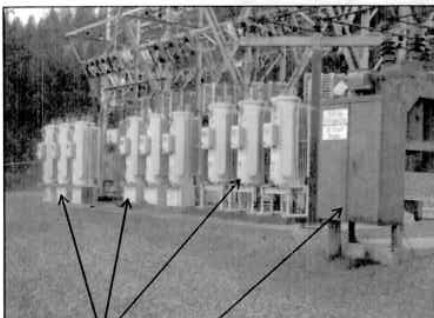
Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Meet AM Plan Requirements for all Apparatus
	Maintain or increase annual program spend to meet demand

Prepared Michael A. Magruder
 Mike Magruder, Manager - Substation Engineering

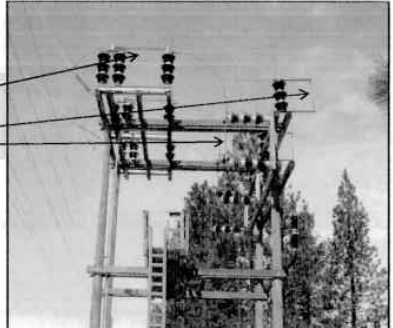
Reviewed Heather Rosentrater
 Heather Rosentrater, Director - ENSO

Reviewed Andy Vickers
 Andy Vickers, Director - GPSS


Capital Maintenance - Apparatus




Step Voltage Regulators
 LV (13 kv) Breaker
 Sunset Substation



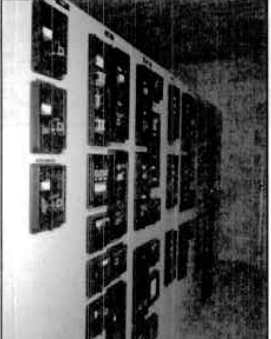
Hern Substation
 115 kV Air Switch
 115 kV Spill Gaps (to be replaced with Surge Arresters)
 HV Fuses



Sunset Substation - 115 kV Oil Circuit Breaker A-198
 HV Breaker - oldest breaker on Avista's system.



Instrument Transformer
 Old 3-phase bus PT
 Sunset Substation



Electromechanical Relays
 Westside Substation

To be completed by Capital Planning Group		Review Cycles	
Rationale for decision	2012-2016		
	Date	Template	

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Substation - Capital Spares

ER No: ER Name:

1006 Power Xfmr-Distribution
2000 Power Xfmr-Transmission
2001 Power Circuit Breaker

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$20,840¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	495							13	88	289	4	100	
2014	3,050					1,103				300	1,497	150	
2015	8,545			250		1,150				240	400	6,505	
2016	2,565			250	100	950		300	300	250	165	250	

Business Case Description:

This program maintains our fleet of Power Transformers and High Voltage Circuit Breakers. This fleet of critical apparatus is capitalized upon receipt and placed in service for both planned and emergency installations as required. The annual program expenditures may vary significantly in years when an Autotransformer (230/115 kV) is purchased. In years without an Autotransformer purchase, only minor variations will occur based on planned projects as well as replenishing apparatus fleet levels required for adequate capital spares. These are long lead time items so apparatus levels need to be managed.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Substation - Capital Spares	Assessments:	
Requested Amount	\$4,720,000	Financial:	Medium - >= 5% & <9% CIRR
Duration/Timeframe	50 Year Program	Strategic:	Life Cycle Programs
Dept., Area:	T&D - Substation Engineering	Operational:	Operations require execution to perform at current levels
Owner:	Heather Rosentrater	Business Risk:	ERM Reduction >5 and <= 10
Sponsor:	Don Kopczynski	Program Risk:	High certainty around cost, schedule and resources
Category:	Program	Assessment Score:	89
Mandate/Reg. Reference:	n/a	Annual Cost Summary - Increase/(Decrease)	

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program maintains our fleet of Power Transformers and High Voltage Circuit Breakers. This fleet of critical apparatus is capitalized upon receipt and placed in service for both planned and emergency installations as required. The annual program expenditures may vary significantly in years when an Autotransformer (230/115 kV) is purchased. In years without an Autotransformer purchase, only minor variations will occur based on planned projects as well as replenishing apparatus fleet levels required for adequate capital spares. These are long lead time items so apparatus levels need to be managed.	Renew asset life cycle; meet capacity requirements; adequate spare inventory	\$ 4,720,000	\$ -	\$ -	1
Annual Cost Summary - Increase/(Decrease)					

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score	
Unfunded Program:	We will not have vital system capital spares required to maintain our electric system in the event of failures (emergency), planned system improvements (reliability), or obligation to serve (growth). In addition, some of this apparatus may be required for compliance upgrades in reliability and capacity.	n/a	\$ -	\$ 500,000	\$ 250,000	8
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):				
5 years of costs					1006	2000	2001		
	Capital Cost	O&M Cost	Other Costs	Approved					
2012	\$ 3,835,000	\$ -	\$ -	\$ 2,535,000					
2013	\$ 4,865,000	\$ -	\$ -	\$ 4,980,100					
2014	\$ 5,115,000	\$ -	\$ -	\$ 3,550,000					
2015	\$ 9,045,000	\$ -	\$ -	\$ 8,045,000					
2016	\$ 4,265,000	\$ -	\$ -	\$ 4,265,000					
2017	\$ 5,800,000			\$ 5,800,000					
2018	\$ 3,865,000			\$ 3,865,000					
Total	\$ 36,790,000	\$ -	\$ -	\$ 33,040,100					
7-year average annual projected spend: \$					4,720,014				

Mandate Excerpt (if applicable):
 Obligation to serve: Long lead time capital spares are required to meet system needs and service expectations.

Additional Justifications:
 Transformers and High Voltage Circuit Breakers (capital spares) are placed in service based on requirements and need. Replacement transformers and breakers are purchased to maintain required capital spares count. This is managed closely by Substation Engineering with annual reviews of capital spares and planned needs. In general, this is a Life Cycle Program for these assets. This Program also includes a Reliability and Capacity (improved reliability and growth) component as well as a Mandatory (Compliance) component. Commodity pricing and manufacturer lead times can be variable which can lead to increased costs and/or delayed receipt.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: <input type="checkbox"/> Low Probability <input type="checkbox"/> Medium Probability <input checked="" type="checkbox"/> High Probability	Enterprise Tech: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).
Contract Labor: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Facilities: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Capital Tools: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Fleet: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	



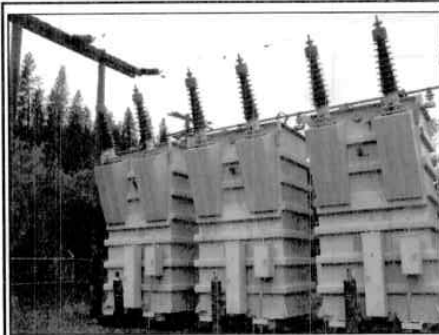
Capital Program Business Case

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Annual capital spares review and summary report.
	Every capital spare will be justified.

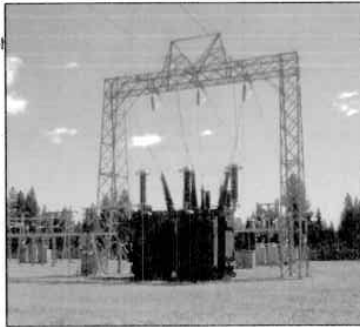
Prepared Michael A. Magruder
 Mike Magruder, Manager - Substation Engineering

Reviewed Heather Rosentrater
 Heather Rosentrater, Director - ENSO

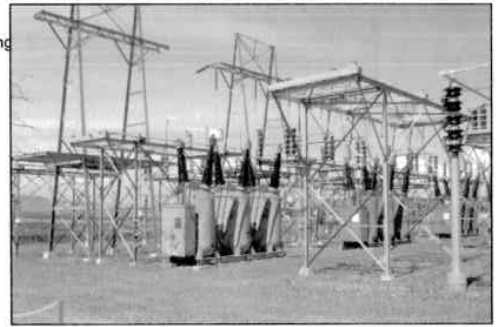
Other Party Review signature _____
 (if necessary) Director/Manager



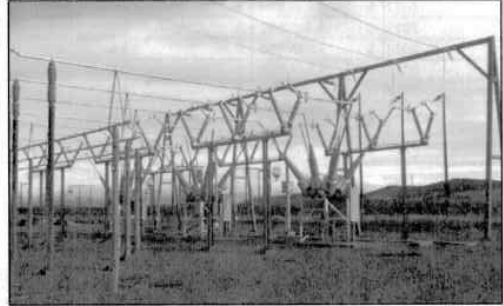
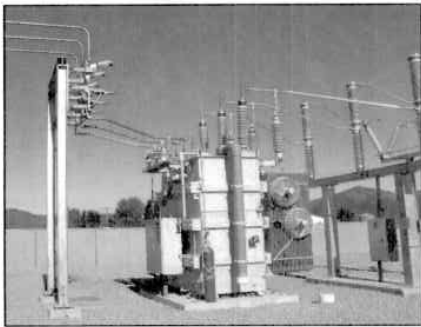
ER 1006: Distribution Power Transformers
 Older single phase units shown above from Kooskia 115 kV Sub.
 New 3-phase unit shown below from Idaho Road 115 kV Sub.



ER 2000: Transmission Power Transformers
 Older unit shown above from Westside 230 kV Sub.
 New unit (and old one next to it) shown below from Benewah 230 kV Sub.



ER 2001: Power Circuit Breakers
 Older 115 kV Oil Circuit Breakers (above) from Lolo Sub.
 New 115 kV Gas Circuit Breakers (below) from Benewah Sub.



To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Substation - Distribution Substation Rebuilds

ER No: ER Name:

2204	System Wood Substation Rebuilds	2562	Grangeville 115 kV Sub - Rebuild
2283	Millwood Sub - Rebuild	2563	Stratford 115kV - Upgrade Bus
2285	Sunset Sub - Rebuild	2565	Ford 115 kV - Rebuild Substation
2317	Lyons & Standard 115 Sub-Increase Capacity	2566	Northwest 115 kV - Rebuild Substation
2341	Ninth & Central Sub - Increase Capacity & Rebuild	2567	Chester 115 kV - Rebuild Substation
2342	Pine Creek 230 Sub-Rebuild Dist/Replace Cap Bank	2568	Metro 115 kV - Rebuild Substation
2465	Bronx - 115-21kV	2569	Gifford 115 kV - Rebuild Substation
2502	N. Moscow - Increase Capacity	2306	Appleway Sub - Rebuild
2521	St Maries 634 Cx Fdr	2390	Otis Orchards 115-Replace PCBs & Relays
2522	10th & Stewart Dx Int	2538	College & Walnut Substation Yard Expansion
2533	Pullman Substation - Rebuild	2572	Noxon Construction Sub - Minor Rebuild
2546	Blue Creek 115 kV - Rebuild	2573	Little Fall 115 kV Sub - Rebuild
2547	Lucky Friday 115 kV - Rebuild		

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$25,215¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	1,241							8	128	15	41		1,050
2014	3,230	6	6	6	6	6	6	1,606	6	581	506	6	486
2015	3,125	33	33	33	183	2,333	33	33	33	33	33	33	308
2016	6,870	17	17	17	17	17	17	2,717	17	1,417	17	2,017	587

Business Case Description:

This program replaces and/or rebuilds existing substations as they reach the end of their useful lives, require increased capacity, or cannot accommodate necessary equipment upgrades due to existing physical constraints. Included are Wood Substation rebuilds as well as upgrading stations to current design and construction standards. Some station rebuilds may be initiated by other requirements, including obligation to serve, growth, and external projects. Examples of substation rebuilds to be completed under this program in the next 5 years are Big Creek & Kamiah (Wood Substation), Millwood (Life Cycle), Turner (Smart Grid Investment Grant), Blue Creek (Productivity), Lucky Friday (Growth), and Pine Creek Distribution (Life Cycle).

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Substation - Distribution Station Rebuilds				
Requested Amount	\$8,168,573				
Duration/Timeframe	50 Year Program				
Dept., Area:	T&D - Substation Engineering				
Owner:	Heather Rosentrater				
Sponsor:	Don Kopczynski				
Category:	Program				
Mandate/Reg. Reference:	n/a				
Assessments:	Financial: MH - >= 9% & <12% CIRR Strategic: Life Cycle Programs Operational: Operations improved beyond current levels Business Risk: ERM Reduction >5 and <= 10 Program Risk: High certainty around cost, schedule and resources Assessment Score: 105				
Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
This program replaces and/or rebuilds existing substations as they reach the end of their useful lives, require increased capacity, or cannot accommodate necessary equipment upgrades due to existing physical constraints. Included are Wood Sub rebuilds as well as upgrading stations to current design and construction standards. Some station rebuilds may be initiated by other requirements, including obligation to serve, growth, and external projects (e.g. Smart Grid). Examples of substation rebuilds to be completed under this program in the next 5 years are Big Creek & Kamiah (Wood Subs), Millwood (Life Cycle), Turner (SGIG), Blue Creek (Productivity), Lucky Friday (Growth), and Pine Creek Distribution (Life Cycle).	Improved performance, upgraded equipment, better status & control, new life cycle.	Capital Cost	O&M Cost	Other Costs	1
		\$ 8,168,573	\$ -	\$ -	
Alternatives:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
Unfunded Program:	Obsolete and/or high loss equipment, deteriorated wood structures, and non-standard construction or equipment would remain in service until failure. Some stations may need additional capacity for growth or may not be suitable for required expansions to meet other (e.g. Regulatory, SGIG) needs.	Capital Cost	O&M Cost	Other Costs	8
	Relatively high probability of a station failure within 10 yrs.	\$ 1,000,000	\$ 500,000	\$ 250,000	
Alternative 1: Planned Equipment Replacements.	Continuation of non-standard construction practices and configurations leading to considerably slower and more dangerous working conditions for field crews. This would only allow for minimal improvements to the subs while requiring more O&M to maintain aging infrastructure and equipment.	Capital Cost	O&M Cost	Other Costs	4
	Performance remains at current levels; min. improve	\$ 1,500,000	\$ 500,000	\$ -	
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	Capital Cost	O&M Cost	Other Costs	0
	describe any incremental changes in operations	\$ -	\$ -	\$ -	
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	Capital Cost	O&M Cost	Other Costs	0
	describe any incremental changes in operations	\$ -	\$ -	\$ -	

Program Cash Flows					Associated Ers (list all applicable):				
5 years of costs					2204	2283	2285	2341	2465
	Capital Cost	O&M Cost	Other Costs	Approved	2502	2521	2522	2546	2562
					2563	2565	2566	2567	2568
2012	\$ 7,750,000	\$ -	\$ -	\$ 7,750,000	2569	2572	2573		
2013	\$ 8,350,000	\$ -	\$ -	\$ 5,060,013					
2014	\$ 7,680,000	\$ -	\$ -	\$ 5,505,000					
2015	\$ 7,635,000	\$ -	\$ -	\$ 6,240,000					
2016	\$ 7,585,000	\$ -	\$ -	\$ 8,410,000					
2017				\$ 12,140,000					
2018				\$ 12,075,000					
Total	\$ 39,000,000	\$ -	\$ -	\$ 57,180,013					

7-year average projected spend: \$ 8,168,573

Mandate Excerpt (if applicable):
 Obligation to serve: Specific substations may require rebuild for increased capacity due to load growth.

Additional Justifications:
 This program replaces substations that are at the end of their life cycle or require rebuild for other reasons including capacity, reliability, growth, and contractual or regulatory obligations. Some substations, like Lucky Friday, could be standalone projects under the Mandatory category since we have to meet customer load growth. Therefore, cuts to this program need to be closely evaluated.
 Program Link: Substation transmission integration budget dollars (\$415k - \$435k) are included in this program.
 Program Link: Substation distribution integration budget dollars (\$300k - \$1.15M) are included in this program.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Capital Program Business Case

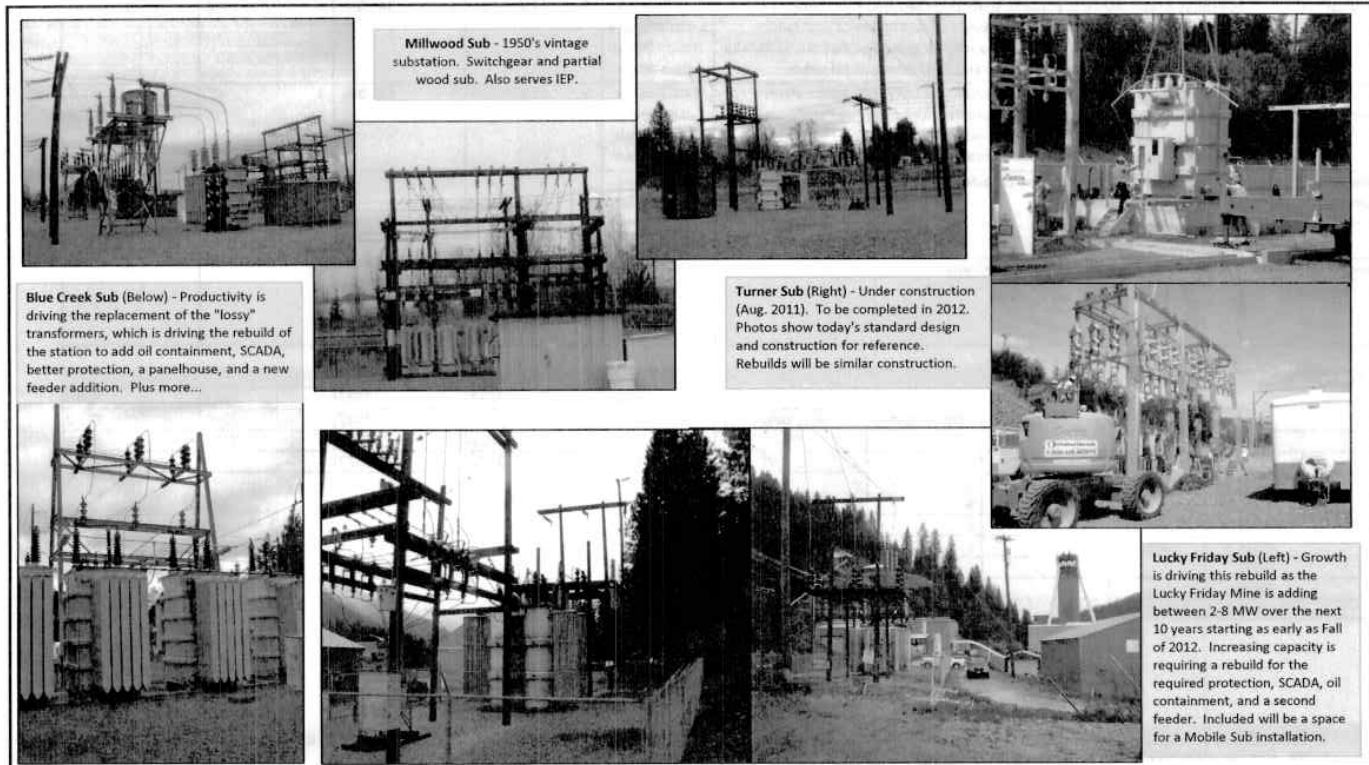


Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Complete 3 rebuilds per year.
	Complete Metro Sub EPC Rebuild by 2018.

Prepared Michael A. Magruder
 Mike Magruder, Manager - Substation Engineering

Reviewed Heather Rosentrater
 Heather Rosentrater, Director - ENSO

Reviewed Andy Vickers
 Andy Vickers, Director - GPSS



Millwood Sub - 1950's vintage substation. Switchgear and partial wood sub. Also serves IEP.

Blue Creek Sub (Below) - Productivity is driving the replacement of the "lossy" transformers, which is driving the rebuild of the station to add oil containment, SCADA, better protection, a panelhouse, and a new feeder addition. Plus more...

Turner Sub (Right) - Under construction (Aug. 2011). To be completed in 2012. Photos show today's standard design and construction for reference. Rebuilds will be similar construction.

Lucky Friday Sub (Left) - Growth is driving this rebuild as the Lucky Friday Mine is adding between 2-8 MW over the next 10 years starting as early as Fall of 2012. Increasing capacity is requiring a rebuild for the required protection, SCADA, oil containment, and a second feeder. Included will be a space for a Mobile Sub installation.

To be completed by Capital Planning Group		Review Cycles	
Rationale for decision	2012-2016		
	Date	Template	

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution
Business Case Name: Substation - New Distribution Substations

ER No: ER Name:
2274 Tamarack 115Kv Sub-Construction
2322 Downtown West Sub - Property
2443 Greenacres 115-13kV Sub - New Construct
2479 Hillyard 115-13kV Substation
2583 Lewiston Mill Road- Dx Line Integration
2587 Irvin 115-13 kV Sub - Add Distribution Station
2398 Wheatland 115Sub-Const New Sub&2 Feeders

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$4,740¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	373										273		100
2014	379												379
2015	2,045					2,045							
2016													

Business Case Description:

This program adds new distribution substations to the system in order to serve new and growing load as well as for increased system reliability and operational flexibility. New substations under this program will require planning and operational studies, justifications, and approved project diagrams prior to funding. Planned new substation projects include Tamarack (NE Moscow), Greenacres and Irvin (Spokane Valley), Hillyard and Downtown West (Spokane). Out years include construction for these and design and construction for one new substation per year on average depending on need and justifications.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Substation - New Distribution Stations	Assessments:	
Requested Amount	\$1,430,714	Financial:	Medium - >= 5% & <9% CIRR
Duration/Timeframe	50 Year Program	Strategic:	Reliability & Capacity
Dept., Area:	T&D - Substation Engineering	Operational:	Operations require execution to perform at current levels
Owner:	Heather Rosentrater	Business Risk:	ERM Reduction >5 and <= 10
Sponsor:	Don Kopczynski	Program Risk:	High certainty around cost, schedule and resources
Category:	Program	Assessment Score:	80
Mandate/Reg. Reference:	n/a	Annual Cost Summary - Increase/(Decrease)	

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This program adds new distribution substations to the system in order to serve new and growing load as well as for increased system reliability and operational flexibility. New substations under this program will require planning and operational studies, justifications, and approved Project Diagrams prior to funding. This documentation will be included with this business case. Planned new substation projects include Tamarack (NE Moscow), Greenacres and Irvin (Spokane Valley), Hillyard and Downtown West (Spokane). Out years include construction for these and design and construction for 1 new substation per year on average depending on need and justifications.	Improved performance, reliability, operational flexibility; Obligation to Serve.	\$ 1,430,714	\$ -	\$ -	1
Annual Cost Summary - Increase/(Decrease)					

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Without adding new substations as justified, we would not be able to adequately meet our obligation to serve.		\$ 250,000	\$ 250,000	9
Alternative 1: Extend Feeders; Increase Substation Capacities	Extension of distribution feeders from neighboring substations and increased capacity at those substations would be required at a minimum. The negative impact is most certainly reduced reliability and difficulty in long term maintenance and system operation. Increased liability would result.	\$ 1,000,000	\$ 150,000	\$ -	6
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):				
5 years of costs					2274	2321	2322	2398	2443
	Capital Cost	O&M Cost	Other Costs	Approved	2459	2479	2480	2587	
2012	\$ 1,275,000	\$ -	\$ -	\$ 250,000					
2013	\$ 8,220,000	\$ -	\$ -	\$ 775,001					
2014	\$ 1,400,000	\$ -	\$ -	\$ 1,590,000					
2015	\$ 2,750,000	\$ -	\$ -	\$ 1,025,000					
2016	\$ 2,000,000	\$ -	\$ -	\$ 1,350,000					
2017				\$ 1,725,000					
2018				\$ 3,300,000					
Total	\$ 15,645,000	\$ -	\$ -	\$ 10,015,001					
7-year average projected spend: \$					1,430,714				

Mandate Excerpt (if applicable):
 Obligation to serve: Substations will need to be added to the system as justified for increased capacity and operational reliability requirements due to load growth.

Additional Justifications:
 New distribution substations added to the system for load growth and reliability are critical to the long term operation of the system. As load demands increase and customer expectations rise regarding reliability, incremental distribution substation capacity is required. This allows for improved operational flexibility, better system reliability, and easier routine maintenance scheduling as equipment is more easily taken out of service because load can be transferred.
 Program Link: Substation transmission integration budget dollars (\$20k - \$3.45M) are included in this program. The Bovill Sub transmission line is budgeted for \$3.45M in 2013.
 Program Link: Substation distribution integration budget dollars (\$25k - \$500k) are included in this program. The Bovill Sub distribution integration is budgeted for \$500k in 2013.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input checked="" type="checkbox"/> Medium Probability	<input type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Capital Program Business Case



Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Energize new subs before need as justified.

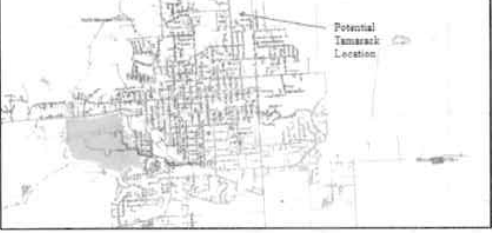
Prepared Michael A. Magruder
 Mike Magruder, Manager - Substation Engineering

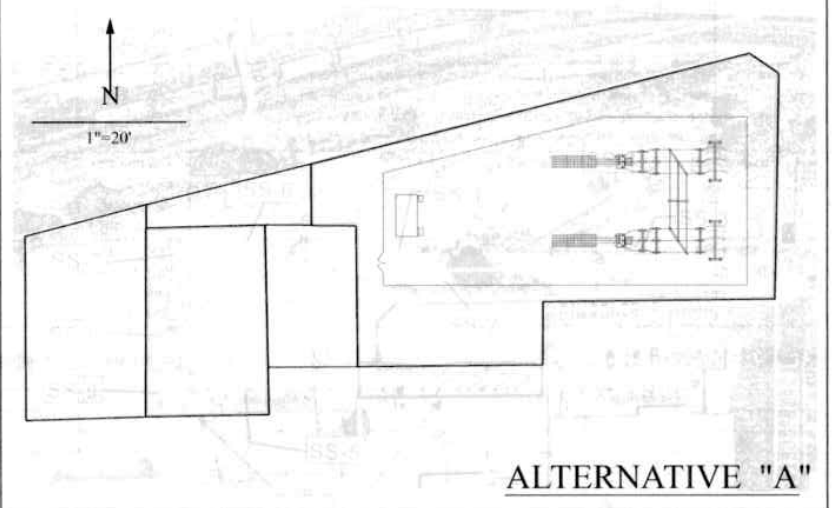
Reviewed Heather Rosentrater
 Heather Rosentrater, Director - ENSO

Reviewed Andy Vickers
 Andy Vickers, Director - GPSS

Justification

Tamarack will initially unload 2 feeders - Moscow 115 513 and 514. These are long feeders that serve both suburban and rural load. The Moscow 115 transformers are loaded to 63% and 89% (Winter 2009), with more load projected primarily west of Moscow. Shifting load between Moscow substations would allow us to better configure feeds for the town, particularly from North Moscow - which is a less than ideal location.





ALTERNATIVE "A"

Upper Left: Project Diagram and preliminary justification for Tamarack Sub (NE Moscow).
Lower Left: Project Diagram and Scope for Greenacres Sub (Spokane Valley). These Project Diagrams and associated background information via Distribution Planning studies are a requirement for any new substations to be funded under this Program. Each study will be included with the Business Case for reference.

Above: Shown is a preliminary design for a potential new substation in the University District in downtown Spokane. The property has been secured and as electric load increases in the U-District, this new substation will need to be constructed ahead of the need to ensure we have the required capacity and system reliability. In addition, this new sub will improve overall operational flexibility to serve all of our electric load in the U-District vicinity. Construction could occur in the next 3-10 years depending on the load growth.

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Tribal Permits and Settlements

ER No: 2301
ER Name: Tribal Permits and Settlements

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$2,570¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	103							6	6	5	6		81
2014	495	7	7	110	7	7	110	7	7	110	7	7	110
2015	1,430			358			358			358			357
2016	315			79			79			79			79

Business Case Description:

Avista has hydroelectric, transmission, distribution and substation facilities located on the Coeur d'Alene, Colville, Flathead (Salish/Kootenai), Nez Perce and Spokane Tribe Reservations. These facilities are essential components of our energy resource and delivery systems. Avista is required to obtain permits from the Bureau of Indian Affairs (BIA) for its facilities on land held in trust by the federal government for Tribes and/or individual tribal members. Through some of its tribal settlements, Avista obtained the necessary tribal consent and BIA permits for its facilities on tribal trust land. However, Avista needs to renew approximately 700 rights of way permits for other facilities on Trust Land. The original permits were obtained 50+ years ago and the renewal process can be time-consuming (multiple years) and costly. Some of the permits may be in a trespass situation. Avista is actively working with the BIA and the Tribes to file renewal applications and complete the renewal process.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Tribal Permits and Settlements	Assessments:	
Requested Amount	\$325,000	Financial:	High - Exceeds 12% CIRR
Duration/Timeframe	5 years Year Program	Strategic:	Reliability & Capacity
Dept., Area:	Real Estate for Native American Relations	Operational:	Operations require execution to perform at current levels
Owner:	Toni Pessemier	Business Risk:	ERM Reduction >5 and <= 10
Sponsor:	Jason Thackston	Program Risk:	High certainty around cost, schedule and resources
Category:	Program	Assessment Score:	94
Mandate/Reg. Reference:	25 U.S.C. 323 & 357; 25 CFR 169		

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
Avista has hydro, transmission/distribution and substation facilities on the Coeur d'Alene, Colville, Flathead (Salish/Kootenai), Nez Perce and Spokane Tribe Reservations. These facilities are essential components of our energy resource and delivery systems. Avista is required to obtain permits from the Bureau of Indian Affairs (BIA) for its facilities on land held in trust by the federal government for Tribes and/or individual tribal members. through some of its tribal settlements, Avista obtained the necessary tribal consent and BIA permits for its facilities on tribal trust land. However, Avista needs to renew approximately 700 rights of way permits for other facilities on Trust Land. The original permits were obtained 50+ years ago and the renewal process can be time-consuming (multiple years) and costly. Some of the permits may be in a trespass situation. Avista is actively working with the BIA and the Tribes to file renewal applications and complete the renewal process.	Maintaining facilities in existing locations versus costs of having to relocate	\$ 325,000	\$ -	\$ -	8

Alternatives:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
Unfunded Program:	If permits remain expired or allowed to continue to expire, our facilities will be in a trespass situation exposing the company to litigation and poor media exposure. Additional construction would be required to re-route lines.	\$ 10,000,000	\$ -	\$ 1,000,000	16
Alternative 1: Relocation of facilities	Relocation of distribution, 115kV Transmission and 230kV Transmission facilities off reservation and onto road rights of way or private property would involve unplanned man-hours, fleet and equipment, as well as appraisals, surveys, title reports, easements and compensation.	\$ 10,000,000	\$ -	\$ -	0
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):				
5 years of costs					Current ER	2301			
	Capital Cost	O&M Cost	Other Costs	Approved					
2012	\$ 325,000	\$ -	\$ -	\$ 325,000					
2013	\$ 325,000	\$ -	\$ -	\$ 325,000					
2014	\$ 500,000	\$ -	\$ -	\$ 500,000					
2015	\$ 1,250,000	\$ -	\$ -	\$ 1,430,000					
2016	\$ 250,000	\$ -	\$ -	\$ 315,000					
2017	\$ 300,000			\$ 300,000					
2018	\$ 250,000			\$ 250,000					
Total	\$ 3,200,000	\$ -	\$ -	\$ 3,445,000					

Mandate Excerpt (if applicable):
 25 U.S.C. 323 (Tribal Trust Lands); 25 U.S.C. 357 (Allotted Lands) and 25 CFR 169 (process)

Additional Justifications:
 If Avista is unable to obtain its needed rights of way (ROW) across Tribal Trust, Tribal Fee and Allotted lands, the financial risk to Avista is significant. For example, Avista could be exposed to trespass damages and the requirement that it move, at substantial expense, its lines and facilities.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).



Capital Program Business Case

Key Performance Indicator(s)
 Expected Performance Improvements

KPI Measure: Fill in the name of the KPI here
Fill in the name of the KPI here

Prepared signature *A. K.* 11-15-13

Reviewed signature *Joni Peterson*
 Director/Manager

Other Party Review signature *J. A.*
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Program

To be completed by Capital Planning Group	
Rationale for decision	Review Cycles 2012-2016
	Date
	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Worst Feeders

ER No: ER Name:
2414 Sys-Dist Reliability-Improve Worst Feeders

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$7,001¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	500									-1	1	500	
2014	1,500											149	1,350
2015	2,000	167	167	167	167	167	167	167	167	167	167	167	167
2016		2,000	167	167	167	167	167	167	167	167	167	167	167
	167												

Business Case Description:

Initiating in 2009, ER 2414- "Worst Feeders" was proposed by Asset Management to improve the service reliability of the Company's worst performing electric distribution circuits. Many rural feeders significantly exceed the Company SAIFI target of 2.1. This program is coordinated through divisional Area Engineers to identify treatment of these feeders. Work plans may include, reconstruction, hardening, vegetation management, conversion from overhead to underground, enhanced protection, and relocation.

Offsets:

O&M offsets associated with this business case may occur in the future, however, they are not quantifiable at this time.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Underperforming Elec Ckts (Worst FDRs)				
Requested Amount	\$2,000,000				
Duration/Timeframe	on-going Year Program				
Dept., Area:	Engineering/Operations				
Owner:	Rosentrater/James				
Sponsor:	Don Kopczynski				
Category:	Program				
Mandate/Reg. Reference:	n/a				
Assessments:	Financial: Medium - >= 5% & <9% CIRR Strategic: Life Cycle Programs Operational: Operations require execution to perform at current levels Business Risk: ERM Reduction >5 and <= 10 Program Risk: Moderate certainty around cost, schedule and resources				
Assessment Score:	84	Annual Cost Summary - Increase/(Decrease)			
Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Initiating in 2009, ER 2414- "Worst Feeders" was proposed by Asset Management to improve the service reliability of the Company's worst-performing electric distribution circuits. Many rural feeders significantly exceed the Company SAIFI target of 2.1. This program is coordinated through divisional Area Engineers to identify treatment of these feeders. Work plans may include, reconstruction, hardening, vegetation management, conversion from OH to UG, enhanced protection, and relocation.	Improve the overall system performance of the Company's "top ten" worst feeders.	\$ 2,000,000	\$ -	\$ -	12
Annual Cost Summary - Increase/(Decrease)					
Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program:	Rural area reliability indices expected to worsen as infrastructure ages and deteriorates. Expect customer contacts to local media and state government and regulatory bodies.	\$ -	\$ -	\$ -	20
50% funding	Funding at \$1,000,000 would restrict current treatment to top five worst feeders.	\$ 1,000,000	\$ -	\$ -	12
25% funding	Funding at 500,000 would restrict treatment to enhanced protection only (adding midline reclosers, additional fusing)	\$ 500,000	\$ -	\$ -	0
	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):				
5 years of costs					Current ER	2414			
	Capital Cost	O&M Cost	Other Costs	Approved					
2012	\$ 2,000,000	\$ -	\$ -	\$ 1,500,000					
2013	\$ 2,000,000	\$ -	\$ -	\$ 1,500,750					
2014	\$ 2,000,000	\$ -	\$ -	\$ 1,500,000					
2015	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000					
2016	\$ 2,000,000			\$ 2,000,000					
2017	\$ 2,000,000			\$ 2,000,000					
2018	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000					
Total	\$ 14,000,000	\$ -	\$ -	\$ 12,500,750					

Mandate Excerpt (if applicable):

Additional Justifications:

Any supplementary information that may be useful in describing in more detail the nature of the Program, the urgency, etc.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: <input type="checkbox"/> Low Probability <input checked="" type="checkbox"/> Medium Probability <input type="checkbox"/> High Probability	Enterprise Tech: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required
Contract Labor: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Facilities: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required
	Capital Tools: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required
	Fleet: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).



Capital Program Business Case

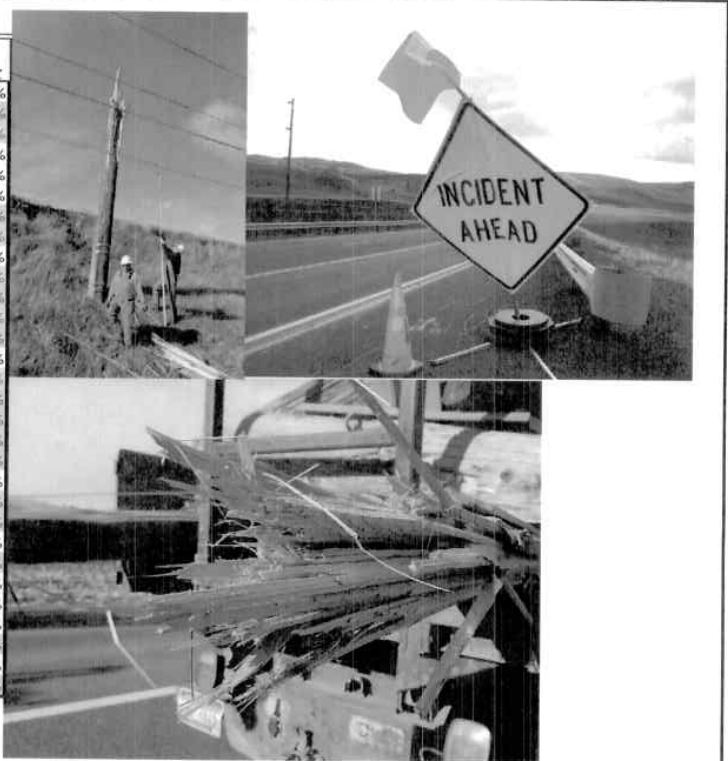
Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Monitor SAIFI

Prepared signature 11-11-13

Reviewed signature 11-11-13
 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager

2006-2012 SAIFI							
Feeder	7-yr Rank	7-yr Ave	3-yr Rank	3-yr Ave	%Dif 3yr v. 7yr	1-yr Rank	% Dif 1yr v 3yr
GRV1273	1	21.02	1	13.07	38%	3	23%
DER651	2	10.44	2	8.97	14%	12	41%
GIF34F2	3	7.40	7	6.32	15%	4	-50%
SPI12F1	4	7.19	3	7.47	-4%	10	21%
STM633	5	7.18	8	6.08	15%	6	-24%
CHW12F3	6	5.58	14	4.73	15%	24	14%
JPE1287	7	5.37	4	6.82	-27%	30	46%
GIF34F1	8	5.19	17	4.11	21%	11	-32%
VAL12F1	9	5.11	6	6.34	-24%	17	24%
CLV34F1	10	5.01	11	5.29	-6%	5	-61%
ROX751	11	4.97	10	5.34	-7%	118	76%
ODN732	12	4.87	9	6.00	-23%	1	-142%
WEI1289	13	4.70	5	6.78	-44%	53	66%
WAL543	14	4.66	19	4.06	13%	26	0%
VAL12F2	15	3.85	20	3.90	-1%	8	-63%
LF34F1	16	3.85	36	2.77	28%	183	77%
COT2402	17	3.84	25	3.14	18%	96	51%
DER652	18	3.75	38	2.71	28%	213	90%
CKF711	19	3.74	34	2.85	24%	93	45%
KET12F2	20	3.57	41	2.65	26%	38	-19%
RDN12F2	21	3.54	81	1.70	52%	126	29%
BLU321	22	3.50	154	1.03	71%	179	31%
WAL542	23	3.44	63	2.11	39%	59	-3%
SPT4S21	24	3.43	40	2.66	22%	138	57%
MIS431	25	3.43	16	4.29	-25%	15	-18%
WAL545	26	3.37	77	1.77	48%	69	-15%
ORI12F3	27	3.36	31	2.92	13%	34	-12%
SPI12F2	28	3.35	80	1.74	48%	133	33%
OGA611	29	3.27	46	2.50	24%	45	-9%
JUL662	30	3.24	35	2.79	14%	208	89%



To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Spokane Valley Transmission Reinforcement

ER No: ER Name:

2446 Irvin Sub - New Construction
2474 Beacon-Boulder #2 115: Capacity Upgrade
2526 Opportunity 12F2 Cx Fdr
2552 Opportunity 115 kV Switching Station

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$9,996¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	997							143	109	73	13		658
2014	1,900												1,900
2015	600												600
2016	6,440									4,600			1,840

Business Case Description:

The Spokane Valley Transmission Reinforcement Project includes rebuilding 4.4 miles of the Beacon - Boulder #2 115 kV Transmission Line, constructing the new Irvin Switching Station, rebuilding 1.75 miles of the Irvin - Opportunity 115 kV Tap, installing circuit breakers at Opportunity Substation, and constructing a new 2.2 mile 115 kV transmission line from Irvin to Millwood/Inland Empire Paper. The completion of these projects are required to mitigate existing and future performance and reliability issues of the Transmission System in the Spokane Valley.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case



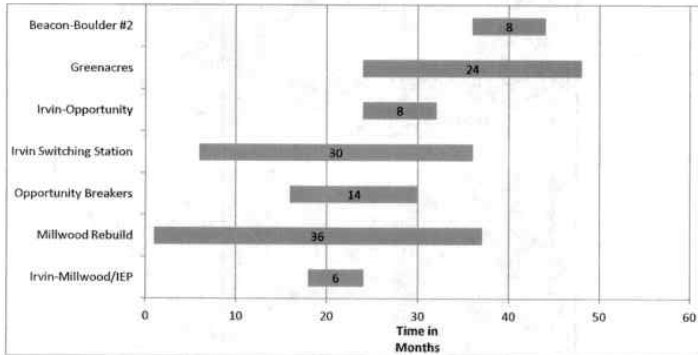
Investment Name:	Spokane Valley Transmission Reinforcement	Assessments:	
Requested Amount	\$13,736,503	Financial:	Medium - >= 5% & <9% CIRR
Duration/Timeframe	5 Year Project	Strategic:	Reliability & Capacity
Dept., Area:	T&D - Substation & Transmission Engineering	Operational:	Operations require execution to perform at current levels
Owner:	Heather Rosentrater	Business Risk:	ERM Reduction >0 and <= 5
Sponsor:	Don Kopczynski	Project/Program Risk:	High certainty around cost, schedule and resources
Category:	Project	Assessment Score:	78.5
Mandate/Reg. Reference:	n/a	Cost Summary - Increase/(Decrease)	

Recommend Project Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
The Spokane Valley Transmission Reinforcement Project includes rebuilding 4.4 miles of the Beacon - Boulder #2 115 kV Transmission Line, constructing the new Irvin Switching Station, rebuilding 1.75 miles of the Irvin - Opportunity 115 kV Tap, installing circuit breakers at Opportunity Substation, and constructing a new 2.2 mile 115 kV transmission line from Irvin to Millwood/IEP. The completion of these projects are required to mitigate existing and future performance and reliability issues of the Transmission System in the Spokane Valley.	Ability to serve load growth in area and provide operational flexibility to maintain equipment	\$ 13,736,503	\$ -	\$ -	1

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score	
Status Quo :	Heavy thermal loading (>90%) is projected to occur on local transmission lines in the near term planning horizon. Presently the Beacon - Boulder #2 Transmission Line cannot be taken out of service to be maintained/rebuilt due to operational constraints serving IEP's new synchronous motor load.	n/a	\$ -	\$ -	\$ -	6
Alternative 1: Partial Transmission System Upgrades	Upgrade existing Transmission System by installing capacitor banks and rebuilding 115 kV transmission lines with 795 ACSS conductor. Further capital expenditures will be required going forward.	\$ 9,600,000	\$ -	\$ -	4	
Alternative 2: Irvin Plan Minus IRV-MIL 115 kV Line	Construct all items in proposed Project except the new 115 kV transmission line from Irvin to Millwood/IEP. Ability to serve IEP is still constrained.	\$ 9,500,000	\$ -	\$ -	4	
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0	

Timeline

Construction Cash Flows (CWIP)



	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 40,559	\$ -	\$ -	\$ 40,559
2012	\$ 3,700,000	\$ -	\$ -	\$ 3,700,000
2013	\$ 4,150,000	\$ -	\$ -	\$ 1,155,944
2014	\$ 2,940,000	\$ -	\$ -	\$ 3,400,000
2015	\$ 1,500,000	\$ -	\$ -	\$ 2,625,000
2016	\$ -	\$ -	\$ -	\$ 2,815,000
2017	\$ -	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -	\$ -
Future	\$ -	\$ -	\$ -	\$ -
Total	\$ 12,330,559	\$ -	\$ -	\$ 13,736,503

Milestones (high level targets)

January-12	Construct Irvin-Millwood/IEP 115 line	December-12	Complete construction (terminate Irvin end of line when Irvin is completed - 2014)
January-12	Rebuild Millwood Sub (not included in Project)	September-13	Complete rebuild
January-12	Build Irvin 115 kV Switching Station	December-16	Complete 115 kV Switching Station; Add Distribution later
January-12	Install breakers at Opportunity	December-14	Complete installation
January-13	Rebuild Irvin-Opportunity 115 kV line	December-13	Complete rebuild
January-13	Construct Greenacres Sub (not included in Project)	April-15	Complete construction
January-15	Rebuild Beacon-Boulder #2 115 kV line	December-15	Complete rebuild

Associated Ers (list all applicable):	1006	2001	2446	2474	2526	2552
--	------	------	------	------	------	------

Mandate Excerpt (if applicable):	With continued load growth, violation of TPL-002, R1 (ability to supply projected customer demands under N-1 contingency conditions) will likely occur.
---	---

Additional Justifications:

In 2009, The Irvin Project report was reviewed and approved by stakeholders in the Engineering, Operations, and Planning Groups at Avista. A superior project, or collection of projects, was selected to mitigate existing and future performance and reliability issues of the Transmission System in the Spokane Valley. These projects, identified as Option 4a in The Irvin Project, and reiterated in the System Planning Interoffice Memorandum SP-2009-03 - Summary - Irvin (Spokane Valley Transmission Reinforcement) Project are illustrated in Project Diagram SP-0220 - Irvin Project. Further updates are provided in Interoffice Memorandum SP-2011-07 - Spokane Valley Transmission Reinforcement (Irvin Project). All documents are posted on Transmission System Planning SharePoint Site.



Capital Investment Business Case

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)
 Expected Performance Improvements

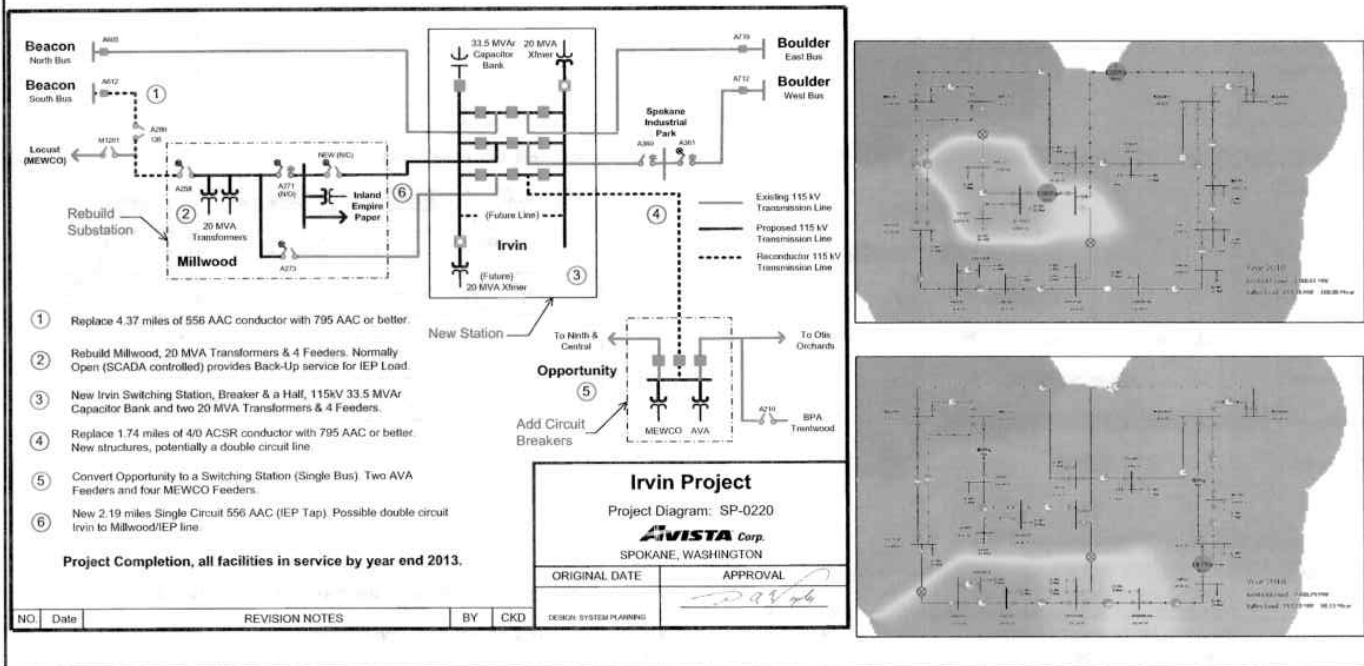
KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here

Prepared *Mike Magruder*
 Mike Magruder/Ken Sweigart T&D Substations/Transmission

Reviewed *Heather Rosentrater*
 Heather Rosentrater, Director - ENSO

Reviewed *Andy Vickers*
 Andy Vickers, Director - GPSS

Below is the approved Project Diagram for the "Irvin Project" and power simulation plot indicating thermal overload on transmission lines during specific outage scenarios



To be completed by Capital Planning Group		Review Cycles	
Rationale for decision		2012-2016	
Date	Template		

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Clearwater Substation Upgrades

ER No: 2571
ER Name: Clearwater 115 kV Substation Upgrades

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$3,700¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014	2,700									2,200			500
2015	500										500		
2016	500										500		

Business Case Description:

Clearwater 115 kV Substation Upgrades. Several components in this station have reached their life cycle and need to be replaced. Some of the station components are non-standard and relatively unreliable. This project will upgrade the station by adding a 115 kV bus sectionalizing breaker and associated air switches on the section of bus between the two power transformers for better operational flexibility and restoration. This work includes construction of a 115 kV line terminal and relocation of 2 lines, upgrading metering, and adding SCADA. This is very difficult work in this particular station and this customer requires continued operation during construction. The protective relays and associated communication system will be upgraded to improve reliability of service.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



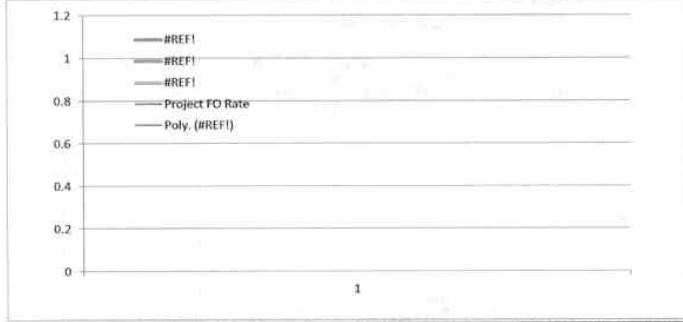
Capital Project Business Case

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure: Fill in the name of the KPI here

Fill in the name of the KPI here

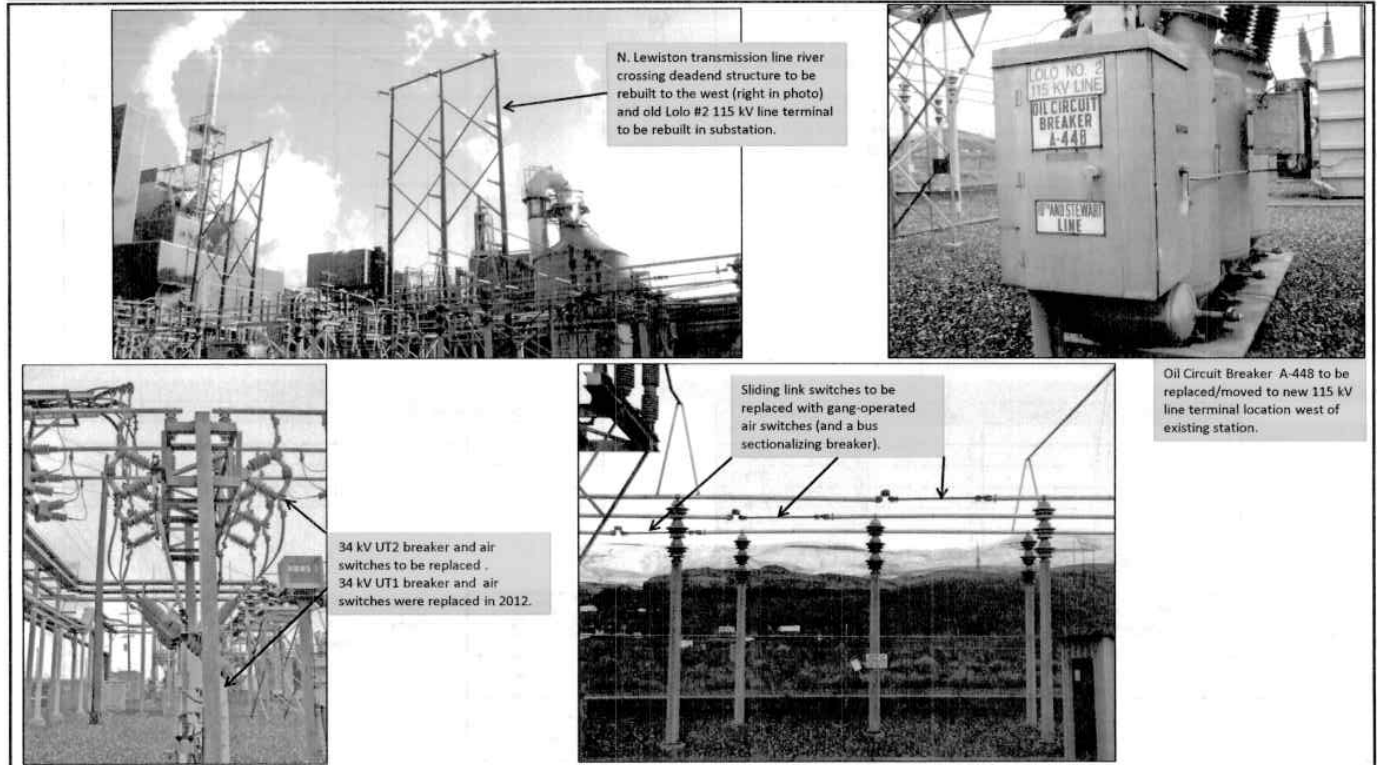


Prepared Mike Magruder/Ken Sweigart
 Mike Magruder/Ken Sweigart, T&D Substations/Transmission

Reviewed Heather Rosentrater
 Heather Rosentrater, Director - ENSO

Reviewed Andy Vickers
 Andy Vickers, Director - GPSS

Reviewed _____
 (if necessary) Director



To be completed by Capital Planning Group		Review Cycles	
Rationale for decision	2012-2016		
	Date	Template	

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Franchising for Washington State Department of Transportation (“WSDOT”)

ER No: 7108
ER Name: WSDOT Highway Franchise Consolidation

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$710¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	42											21	21
2014	265			66			66			66			66
2015	195	16	16	16	16	16	16	16	16	16	16	16	16
2016	125	10	10	10	10	10	10	10	10	10	10	10	10

Business Case Description:

Obtain franchise renewals for existing facilities on WSDOT rights of way. We have hundreds of miles of Transmission and Distribution facilities within WSDOT rights of ways. Maintaining our right to be there allows for the continued operation of those facilities without additional negative impact to our ratepayers or the Company.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case



Investment Name:	Franchising for WSDOT	Assessments:			
Requested Amount	\$265,000	Financial:	Medium - >= 5% & <9% CIRR		
Duration/Timeframe	20 Year Program	Strategic:	Life Cycle Programs		
Dept., Area:	Environmental	Operational:	Operations somewhat impacted by execution		
Owner:	Rod Price (Mgr) Bruce Howard (Dir)	Business Risk:	ERM Reduction >5 and <= 10		
Sponsor:	Marian Durkin	Program Risk:	High certainty around cost, schedule and resources		
Category:	Program	Assessment Score:	81	Annual Cost Summary - Increase/(Decrease)	
Mandate/Reg. Reference:	n/a			Capital Cost	Business Risk Score
Recommend Program Description:		Performance		O&M Cost	
Obtain franchise renewals for existing facilities on WSDOT rights of way. We have hundreds of miles of Transmission and Distribution facilities within WSDOT rights of ways. Maintaining our right to be there allows for the continued operation of those facilities without additional negative impact to our ratepayers or the Company.		Present operation performance will remain	\$ 265,000	\$ -	1
			Annual Cost Summary - Increase/(Decrease)		
Alternatives:		Performance	Capital Cost	O&M Cost	Business Risk Score
Unfunded Program:	Without WSDOT Franchises, we may be evicted from WSDOT property, thus requiring that we relocate our facilities. In addition, we will not be able to add new facilities to WSDOT properties if needed to serve our load or operate our system as required.	n/a	\$ -	\$ -	9
<i>move facilities to private property</i>	This would involve obtaining easements on, or buying, private property and moving all of the existing facilities.	interrupt services to move facilities	\$ -	\$ -	1
			\$ -	\$ -	0
			\$ -	\$ -	0

Program Cash Flows					Associated Ers (list all applicable):				
5 years of costs					7108				
	Capital Cost	O&M Cost	Other Costs	Approved					
2012		\$ -	\$ -	\$ 250,000					
2013		\$ -	\$ -	\$ 125,000					
2014	\$ 265,000	\$ -	\$ -	\$ 265,000					
2015	\$ 195,000	\$ -	\$ -	\$ 195,000					
2016	\$ 125,000	\$ -	\$ -	\$ 125,000					
2017	\$ 125,000			\$ 125,000					
2018	\$ 125,000			\$ 125,000					
Total	\$ 585,000	\$ -	\$ -	\$ 1,210,000					

Mandate Excerpt (if applicable):
 provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:
 WSDOT will not allow new facilities to be built on franchises that have expired.

Resources Requirements: (request forms and approvals attached)

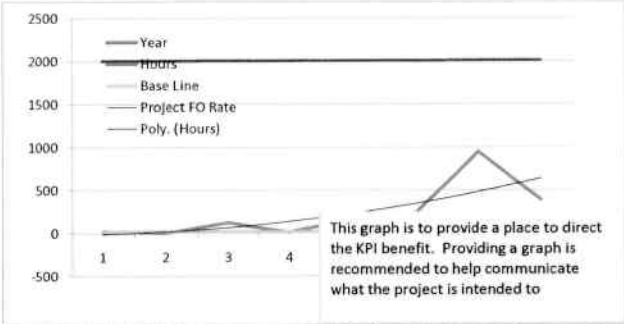
Internal Labor Availability: <input type="checkbox"/> Low Probability <input type="checkbox"/> Medium Probability <input type="checkbox"/> High Probability	Enterprise Tech: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).
Contract Labor: <input type="checkbox"/> YES <input type="checkbox"/> NO	Facilities: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Capital Tools: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	
	Fleet: <input type="checkbox"/> YES - attach form <input checked="" type="checkbox"/> NO or Not Required	

Capital Program Business Case



Key Performance Indicator(s)
 Expected Performance Improvements

KPI Measure:	obtain franchises
	Fill in the name of the KPI here



Prepared signature 

Reviewed signature  Director/Manager

Other Party Review signature  Director/Manager
 (if necessary)

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Program

To be completed by Capital Planning Group	
Rationale for decision	Review Cycles 2012-2016
	Date
	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Harrington Voltage Conversion from 4 kV to 13 kV

ER No: 2289
ER Name: Harrington Conversion to 13 kV

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$3,000¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014	1,000												1,000
2015	2,000	167	167	167	167	167	167	167	167	167	167	167	167
2016													

Business Case Description:

The Harrington, WA area is the last area Avista serves at the legacy 4 kV voltage. This voltage is obsolete for serving utility distribution systems and we have very limited spare equipment to continue service at this voltage. The substation is very old and the transformer will be difficult and time consuming to replace if it fails. We do not have 4 kV on our mobile substations, so all the customers served by Harrington feeders will be out of service until the transformer is replaced. This could easily be up to 48 hours. There is no reason to delay this needed upgrade to our standard distribution class voltage and equipment. Minor system efficiencies also result.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Project Business Case



Investment Name:	Harrington Upgrades	Assessments:	
Requested Amount	\$3,000,000	Financial:	7.00%
Duration/Timeframe	1 Year Project	Strategic:	Reliability & Capacity
Dept., Area:	T&D - Substations/Distribution	Business Risk:	Business Risk Reduction >5 and <= 10
Owner:	Heather Rosentrater	Project Risk:	High certainty around cost, schedule and resources
Sponsor:	Don Kopczynski	Assessment Score:	87
Category:	Project	Annual Cost Summary - Increase/(Decrease)	
Mandate/Reg. Reference:	n/a		

Recommend Project Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Harrington Voltage Conversion. Harrington is the last area Avista serves at the legacy 4 kV voltage. This voltage is obsolete for serving utility distribution systems and we have very limited spare equipment to continue service at this voltage. The substation is very old and the transformer will be difficult and time consuming to replace if it fails. We do not have 4 kV on our mobile substations, so all the customers served by Harrington feeders will be out of service until the transformer is replaced. This could easily be up to 48 hours. There is no reason to delay this needed upgrade to our standard distribution class voltage and equipment. Minor system efficiencies also result.	Removes long term outage risk for sub failures; reduces losses; standardizes system	\$ 3,000,000	\$ -	\$ -	1

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	Do nothing. This option poses increased risk for the Company and exposes Harrington customers to potentially long outages. The substation has reached end of life and its equipment is obsolete. Unplanned restoration costs will be more expensive as a result.	\$ 300,000	\$ 100,000	\$ 1,000,000	6
Unfunded Project: Cont'd	The existing station also has high voltage fuses protecting the transformer that are over-dutied, meaning they may not function as needed for a fault. This is one of five remaining stations with this type of fusing.	\$ -	\$ -	\$ -	1
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2013	\$ -	\$ -	\$ -	\$ -
2014	\$ 3,000,000	\$ -	\$ -	\$ 1,000,000
2015	\$ -	\$ -	\$ -	\$ 2,000,000
2016	\$ -	\$ -	\$ -	\$ -
2017+	\$ -	\$ -	\$ -	\$ -
Total	\$ 3,000,000	\$ -	\$ -	\$ 3,000,000

Associated Ers (list all applicable):
2289

ER	2013	2014	2015	2016	2017+	Total	Mandate Excerpt (if applicable):
2289	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 3,000,000	provide brief citation of the law or regulation and a reference number if possible
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ 3,000,000	\$ -	\$ -	\$ -	\$ 3,000,000	

Milestones (high level targets)

January-14	Begin Design	July-14	Remove & Salvage Old Substation	January-00	open
March-14	Start Distribution Line Work	August-14	Start Substation Construction	January-00	open
May-14	Transmit Substation Rebuild	October-14	Complete Substation Construction	January-00	open
June-14	Install Mobile Substation	October-14	Transfer Load from Mobile to Sub	January-00	open
June-14	Start Distribution Cutover Process	November-14	Return Mobile to Spokane	January-00	open
July-14	Complete Cutover Process	January-00	open	January-00	open

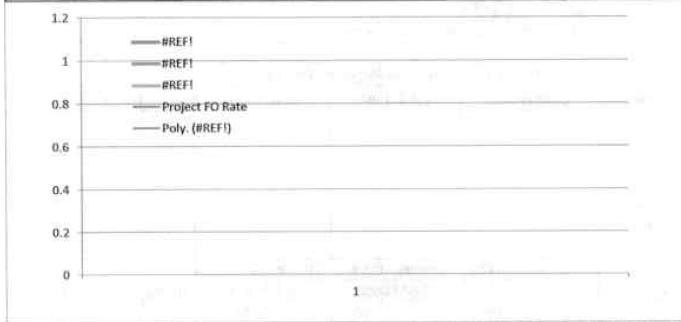
Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

Capital Project Business Case



Key Performance Indicator(s)
 Expected Performance Improvements
 KPI Measure: Fill in the name of the KPI here
 Fill in the name of the KPI here

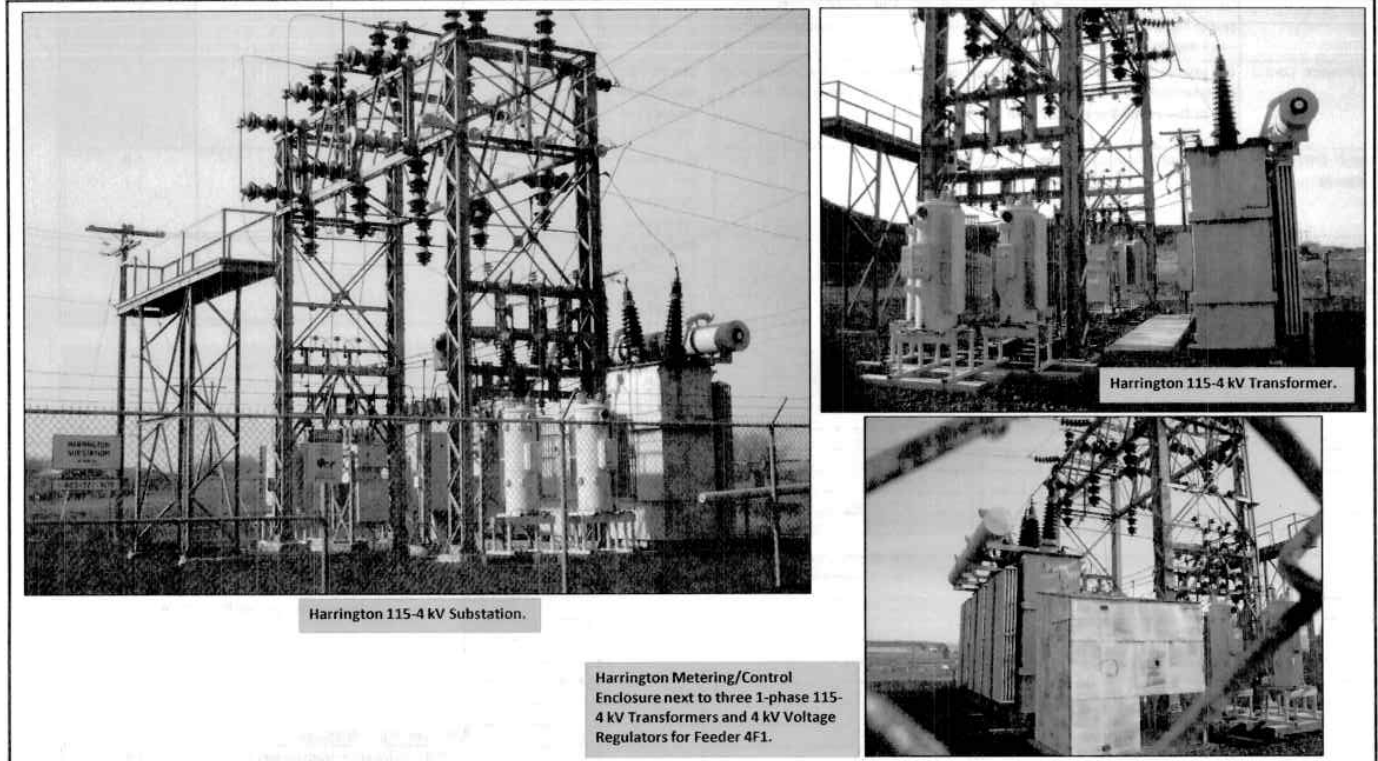


Prepared *Mike Magruder*
 Mike Magruder/Dave James, T&D Substations/Distribution

Reviewed *Heather Rosentrater*
 Heather Rosentrater, Director - ENSO

Reviewed *Andy Vickers*
 Andy Vickers, Director - GPSS

Reviewed *Bryan Cox*
 Bryan Cox, Director - West Operations



To be completed by Capital Planning Group	
Rationale for decision	Review Cycles 2012-2016
	Date
	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Moscow 230 Substation Rebuild

ER No: 2484
ER Name: Moscow 230 kV Sub-Rebuild 230 kV Yard

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$6,400¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	6,686									6,317	369		
2014	5,853							5,700					153
2015													
2016													

Business Case Description:

This project, which is presently under construction, completely rebuilds the entire Moscow 230 kV Substation. The new station will include gas circuit breakers for both the 230 kV and 115 kV yards, a new 250 MVA Autotransformer, two 115 kV Capacitor Banks or an additional Autotransformer, a new panel house, and a station configuration that allows for future additions. The primary driver for this project is the capacity of the existing 125 MVA Autotransformer. System planning studies show an imminent thermal overload of the 56 year old unit in the event we have a failure of the Shawnee Autotransformer. Considering these two units serve the entire Pullman-Moscow area, this project is critically important to Avista's ability to serve our customers.

Offsets:

After revenue requirement was finalized, it was determined that offsets do exist for this business case. The new transformer results in loss savings of 720 MWH annually based on average loading. Assuming an avoided energy cost of \$44/MWH, the total 2013 savings is $[(720 \text{ MWH} \times \$44/\text{MWH}) / (12 \text{ months})] \times 6 \text{ months} = \$15,840$ system and Washington's allocation is \$10,298. For 2014 and 2015, the calculation includes savings based on twelve months resulting in an offset of \$31,680 system and \$20,575 Washington in each of those two years. These additional offset amounts should have been included in revenue requirements.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case



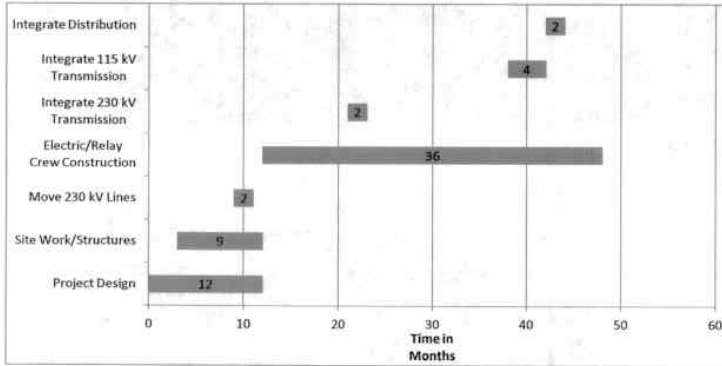
Investment Name:	Moscow 230 Substation Rebuild	Assessments:	
Requested Amount	\$14,612,411	Financial:	Medium - >= 5% & <9% CIRR
Duration/Timeframe	5 Year Project	Strategic:	Life Cycle Programs
Dept., Area:	T&D - Substation & Transmission Engr	Operational:	Operations require execution to perform at current levels
Owner:	Heather Rosentrater	Business Risk:	ERM Reduction >5 and <= 10
Sponsor:	Don Kopczynski	Project/Program Risk:	High certainty around cost, schedule and resources
Category:	Project	Assessment Score:	89
Mandate/Reg. Reference:	n/a	Cost Summary - Increase/(Decrease)	

Recommend Project Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This project, which is presently under construction, completely rebuilds the entire Moscow 230 kV Substation. The new station will include gas circuit breakers for both the 230 kV and 115 kV yards, a new 250 MVA Autotransformer, two 115 kV Capacitor Banks or an additional Autotransformer, a new panelhouse, and a station configuration that allows for future additions. The primary driver for this project is the capacity of the existing 125 MVA Autotransformer. System planning studies show an imminent thermal overload of the 56 year old unit in the event we have a failure of the Shawnee Autotransformer. Considering these two units serve the entire Pullman-Moscow area, this project is critically important to Avista's ability to serve our customers.	Capacity will be sufficient for demand; sys. reliability and station safety will be improved.	\$ 14,612,411	\$ -	\$ -	1

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo :	Our ability to serve our load under N-1 conditions is extremely limited during winter peak. System operations has few alternatives to source the load with the existing capacity at Moscow 230 if there is a failure of the Shawnee unit. Load growth exacerbates this problem	\$ 250,000	\$ 100,000	\$ 100,000	8
Alternative 1: Rebuild with two-125 MVA units (vs. one-250 MVA unit)	An option was studied with two-125 MVA units instead of one-250 MVA unit. All other aspects of the rebuild were the same as the recommended option. There are definite benefits to this option but the cost increase, which still includes the capacitor bank installations, was the deciding factor.	\$ 16,000,000	\$ -	\$ -	1
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0

Timeline

Construction Cash Flows (CWIP)



	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 5,312,410	\$ -	\$ -	\$ 5,312,410
2012	\$ 2,900,000	\$ -	\$ -	\$ 2,900,000
2013	\$ 3,750,001	\$ -	\$ -	\$ 3,750,001
2014	\$ 2,650,000	\$ -	\$ -	\$ 2,650,000
2015	\$ -	\$ -	\$ -	\$ -
2016	\$ -	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -	\$ -
Future	\$ -	\$ -	\$ -	\$ -
Total	\$ 14,612,411	\$ -	\$ -	\$ 14,612,411

Milestones (high level targets)				
May-11	Design Started	July-14	All 115 kV Plant In Service	
October-11	Structures Complete; Autotransformer delivered	July-14	Distribution Station in Service	
January-12	Electric Crew on Project Full Time	December-14	115 kV Capacitor Banks in Service	
May-12	Entire Design Complete	December-14	Old Station Removed & Salvaged	
September-13	230 kV Plant in Service			

Associated Ers (list all applicable):	2484						
Mandate Excerpt (if applicable):	Obligation to serve: The present Moscow 230 kV Substation is not sufficient for future load service under contingency for the greater Pullman-Moscow area.						

Additional Justifications:
 This project is already in construction.
 Additional documentation is available upon request including System Planning studies, Project Diagrams, Internal Substation Memos, meeting notes, etc.



Capital Investment Business Case

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

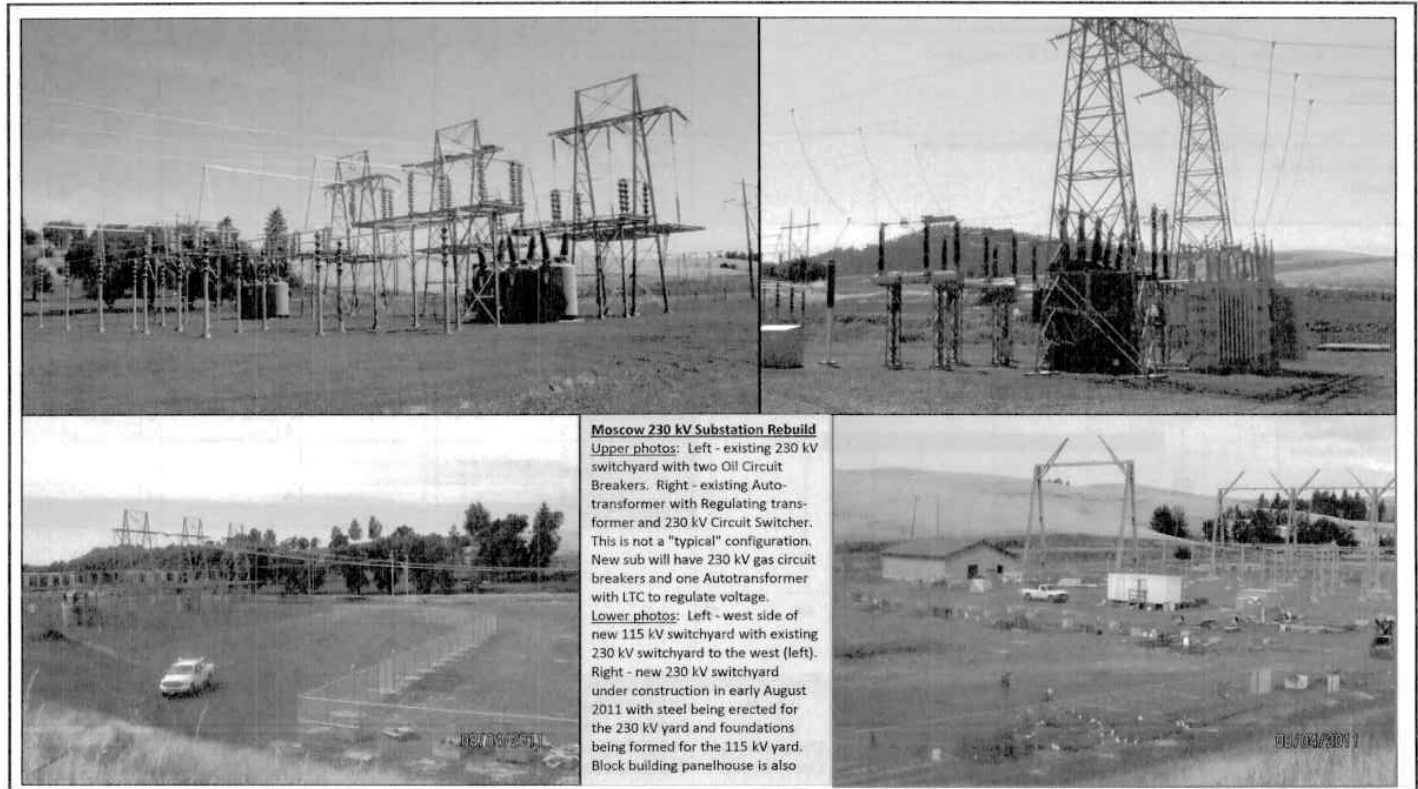
Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	See Milestones

Prepared Mike Magruder/Ken Sweigart T&D Substations/Transmission

Reviewed Heather Rosentrater, Director - ENSO

Other Party Review (if necessary) Andy Vickers, Director - GPSS



Moscow 230 kV Substation Rebuild
 Upper photos: Left - existing 230 kV switchyard with two Oil Circuit Breakers. Right - existing Autotransformer with Regulating transformer and 230 kV Circuit Switcher. This is not a "typical" configuration. New sub will have 230 kV gas circuit breakers and one Autotransformer with LTC to regulate voltage.
 Lower photos: Left - west side of new 115 kV switchyard with existing 230 kV switchyard to the west (left). Right - new 230 kV switchyard under construction in early August 2011 with steel being erected for the 230 kV yard and foundations being formed for the 115 kV yard. Block building panelhouse is also

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Smart Grid Demonstration Project

ER No: ER Name:

2530 SGDP-Pullman Smart Grid Demonstration Project

3291 Install Gas AMI for Pullman Smart Grid

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$1,476¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	360							5	7	1	39		309
2014	525	19	19	94	19	19	94	19	19	94	19	19	94
2015													
2016													

Business Case Description:

This Smart grid proposal will bring smart grid technology to electric distribution facilities that serve nearly 14,000 customers in the City of Pullman. Avista expects to realize benefits from smart grid technologies in reduced system losses and lower operating costs. Customers should realize benefits from improved service reliability, improved energy data enabling efficient energy usage, and energy savings from conservation voltage reduction (CVR).

Offsets:

O&M offsets associated with this business case may occur in the future, however, they are not quantifiable at this time.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Investment Business Case

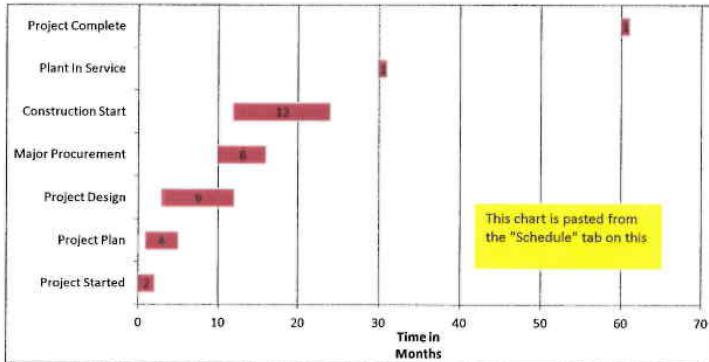
Investment Name:	Smart Grid Demonstration Project	Assessments:	
Requested Amount	\$10,937,500	Financial:	Medium - >= 5% & <9% CIRR
Duration/Timeframe	5 Year Project	Strategic:	Customer Experience
Dept., Area:	Business Process Improvement	Operational:	Operations improved beyond current levels
Owner:	Heather Rosentrater	Business Risk:	ERM Reduction >10 and <= 15
Sponsor:	Don Kopczynski	Project/Program Risk:	High certainty around cost, schedule and resources
Category:	Project	Assessment Score:	105
Mandate/Reg. Reference:	n/a	Cost Summary - Increase/(Decrease)	

Recommend Project Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
This Smart grid proposal will bring smart grid technology to electric and gas distribution facilities that serve nearly 14,000 customers in the City of Pullman. Avista expects to realize benefits from smart grid technologies in reduced system losses and lower operating costs. Customers should realize benefits from improved service reliability, improved energy data enabling efficient energy usage, and energy savings from conservation voltage reduction (CVR).	This program will bring automated metering and outage restoration to 13,000	\$ 10,937,500	\$ 5,254,378	\$ -	4
Cost Summary - Increase/(Decrease)					

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo : Continue to have no automation for operations and metering.	n/a	\$ -	\$ -	\$ -	16
Alternative 1: Brief name of alternative (if applicable) Install automation devices on 13 feeders fed from 3 substations and install AMI meters on 13,000 Electric customers and 5,000 gas customers.	reduced system losses & offset operational cost	\$ 10,102,500	\$ 5,254,378	\$ -	4
Alternative 2: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Timeline

Construction Cash Flows (CWIP)



	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ 2,177,250	\$ 85,000	\$ -	\$ 2,177,250
2012	\$ 7,957,750	\$ 792,000	\$ -	\$ 3,286,567
2013	\$ 800,000	\$ 2,276,814	\$ -	\$ 951,831
2014	\$ 2,500	\$ 1,083,732	\$ -	\$ 525,000
2015	\$ -	\$ 1,016,832	\$ -	\$ -
2016	\$ -	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -	\$ -
Future	\$ -	\$ -	\$ -	\$ -
Total	\$ 10,937,500	\$ 5,254,378	\$ -	\$ 6,940,648

Milestones (high level targets)

January-10	Project Started	October-12	Plant In Service	mm/dd/yy	open
March-10	Project Plan	December-14	Project Complete	mm/dd/yy	open
November-10	Project Design	mm/dd/yy	open	mm/dd/yy	open
January-11	Major Procurement	mm/dd/yy	open		
February-11	Construction Start	mm/dd/yy	open		

Milestones should be general. In some cases it may be as simple as project start, project complete. Use your judgement on project progress so that progress can be measured.

Associated Ers (list all applicable):

Current ER					
2530					

Mandate Excerpt (if applicable):

provide brief citation of the law or regulation and a reference number if possible

Additional Justifications:

Avista entered into a 5 year contract commitment with the Department of Energy in September 2010, Avista committed to a Demonstration Project of \$39,558,000 and its project partners. Penalties of voiding this contract would include partial cost reimbursement to Battelle, Itron, WSU, and other partners for abandoning the project prior to completion.



Capital Investment Business Case

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:

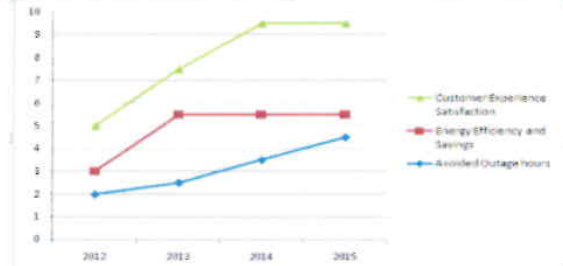


Figure 1 - Key Performance Indicators

Prepared signature David C. John

Reviewed signature [Signature]
 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the project



To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Transmission - Asset Management

ER No: ER Name:

2057 Transmission Minor Rebuild

2254 System 115kV Air Switch Upgrade

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$5,129¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	546							35	22	42	86	150	210
2014	1,315	93	93	100	100	122	122	122	126	126	126	96	92
2015	1,370	114	114	114	114	114	114	114	114	114	114	114	114
2016	1,425	119	119	119	119	119	119	119	119	119	119	119	119

Business Case Description:

The Transmission Asset Management Business Case covers the follow-up work to the Wood Pole Inspection in ER 2057, and Air Switch Replacements in ER 2254.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case



Investment Name:	Trans Asset Man
Requested Amount	\$1,400,000
Duration/Timeframe	Indefinite Year Program
Dept., Area:	T&D - TLD Engineering
Owner:	Heather Rosentrater
Sponsor:	Don Kopczynski
Category:	Program
Mandate/Reg. Reference:	WECC Standard FAC-501-WECC-1

Assessments:	
Financial:	10.00%
Strategic:	Life-cycle asset management
Business Risk:	Business Risk Reduction >0 and <= 5
Program Risk:	High certainty around cost, schedule and resources
Assessment Score:	#NAME?

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
The Transmission Asset Management Business Case covers the follow-up work to the Wood Pole Inspection in ER 2057, and Air Switch Replacements in ER 2254.	Customer IRR of 8.9%	\$ 1,400,000	\$ 331,000	\$ -	12

Alternatives:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
Unfunded Program: Without replacing old and worn-out poles and cross-arms, our system will be increasing at risk for more failures and more risk of a major fire. As time moves forward, the number of failures and risk of a major fire will increase and increase the difference in costs between the two alternatives.	Higher risk of a transmission line causing a major fire due to pole or crossarm failures	\$ 3,464,530	\$ -	\$ 1,576,000	15
Alternative 1: Brief name of alternative (if applicable) Replace wood poles and cross-arms identified by inspection and when a significant portion of the transmission line has reached the end of life for the majority of the poles, replace the transmission structures under a larger project. This also covers replacing Transmission Air Switches located outside of the substations that have reached their end of life. For major rebuilds, new conductors would increase the capacity of the system and help reduce transmission losses	Customer IRR of 8.9% and avoids about 580 events per year	\$ 4,205,000	\$ 331,000	\$ -	12
Alternative 2: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2014	\$ 1,315,000	\$ 331,823	\$ -	\$ 1,646,823
2015	\$ 1,370,000	\$ 339,455	\$ -	\$ 1,709,455
2016	\$ 1,425,000	\$ 347,262	\$ -	\$ 1,772,262
2017	\$ 1,425,000	\$ 355,249	\$ -	\$ 1,780,249
2018	\$ 1,480,000	\$ 363,420	\$ -	\$ 1,843,420
Total	\$ 7,015,000	\$ 1,737,209	\$ -	\$ 8,752,209

Associated Ers (list all applicable):	
2057	2254

ER	2014	2015	2016	2017	2018	Total	Mandate Excerpt (if applicable):
2057	\$ 1,431,823	\$ 1,489,455	\$ 1,547,262	\$ 1,555,249	\$ 1,613,420	\$ 7,637,209	The majority of this Program is mandated under NERC Standards FAC-501-WECC-1. Failure to comply with standard could result in large financial penalties.
2254	\$ 215,000	\$ 220,000	\$ 225,000	\$ 225,000	\$ 230,000	\$ 1,115,000	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ 1,646,823	\$ 1,709,455	\$ 1,772,262	\$ 1,780,249	\$ 1,843,420	\$ 8,752,209	Additional Justifications: Any supplementary information that may be useful in describing in more detail the nature of the Project, the urgency, etc.

Resources Requirements: (request forms and approvals attached)

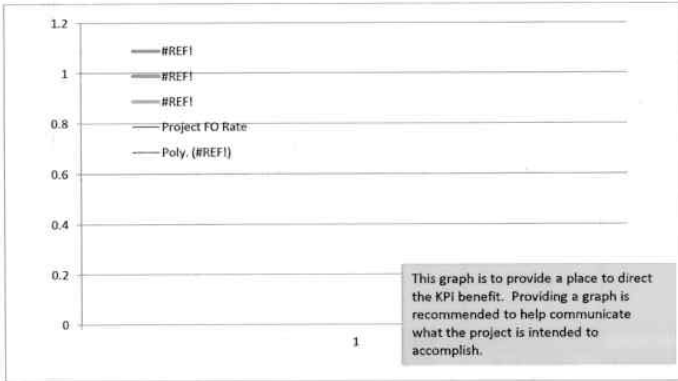
Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input checked="" type="checkbox"/> Medium Probability	<input type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
Contract Labor:	<input checked="" type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here



Capital Program Business Case



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Reviewed signature *[Signature]*
 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Program

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Transmission - NERC High Priority Mitigation

ER No: 2560
ER Name: Line Ratings Mitigation Project

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$3,070¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	1,350												1,350
2014	1,900												1,900
2015													
2016													

Business Case Description:

This program reconfigures insulator attachments, and/or rebuilds existing transmission line structures, or removes earth beneath transmission lines in order to mitigate ratings/sag discrepancies found between "design" and "field" conditions as determined by LiDAR survey data. This program was undertaken in response to the October 7, 2012 North American Electric Reliability Corporations (NERC) "NERC Alert" - Recommendation to Industry, "Consideration of Actual Field Conditions in Determination of Facility Ratings". This Capital Program (ER2560) covers mitigation work on Avista's "High Priority" 230kV transmission lines, including: Benewah-Pine Creek (BI CT203), Cabinet-Noxon (BI AT203), Cabinet-Rathdrum (BI CT202), Hatwai-North Lewiston (BI LT205), Lolo-Oxbow (BI LT202), and Noxon-Pine Creek (BI AT202). Mitigation brings lines in compliance with the National Electric Safety Code (NESC) minimum clearances values. These code minimums have been adopted into the State of Washington's Administrative Code (WAC).

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case



Investment Name:	Transmission - NERC High Priority Mitigation	Assessments:	
Requested Amount	\$2,835,000	Financial:	Medium - >= 5% & <9% CIRR
Duration/Timeframe	3 Year Program	Strategic:	Reliability & Capacity
Dept., Area:	TLD Engineering	Operational:	Operations improved beyond current levels
Owner:	Heather Rosentrater	Business Risk:	ERM Reduction >10 and <= 15
Sponsor:	Don Kopczynski	Program Risk:	High certainty around cost, schedule and resources
Category:	Program	Assessment Score:	102
Mandate/Reg. Reference:	October 7, 2010 "NERC Alert" w/r Facility Ratings		

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease)			ERM Risk Score
		Capital Cost	O&M Cost	Other Costs	
This program reconfigures insulator attachments, and/or rebuilds existing transmission line structures, or removes earth beneath transmission lines in order to mitigate ratings/sag discrepancies found between "design" and "field" conditions as determined by LiDAR survey data. This program was undertaken in response to the October 7, 2012 North American Electric Reliability Corporations (NERC) "NERC Alert" - Recommendation to Industry, "Consideration of Actual Field Conditions in Determination of Facility Ratings". This Capital Program (ER2560) covers mitigation work on Avista's "High Priority" 230kV transmission lines, including: Benewah-Pine Creek (BI CT203), Cabinet-Noxon (BI AT203), Cabinet-Rathdrum (BI CT202), Hatwai-North Lewiston (BI LT205), Lolo-Oxbow (BI LT202), and Noxon-Pine Creek (BI AT202). Mitigation brings lines in compliance with the National Electric Safety Code (NESC) minimum clearances values. These code minimums have been adopted into the State of Washington's Administrative Code (WAC).	Regulatory compliance, upgraded facilities, greater clearance, and (in some cases) greater load capabilities.	\$ 1,337,500	\$ -	\$ -	1

Alternatives:	Performance	Annual Cost Summary - Increase/(Decrease)			ERM Risk Score
		Capital Cost	O&M Cost	Other Costs	
Unfunded Program: The unfunded ("do nothing") approach would place Avista at odds with NERC recommendations, and increase the potential for large fines for any outage and/or incident connected with line clearance. Additionally, failure to mitigate would place Avista in violation of NESC code standards and the WAC.	Relatively high probability of fines and legal action against Avista.	\$ -	\$ -	\$ -	16
Alternative 1: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in	\$ -	\$ -	\$ -	0
Alternative 2: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in	\$ -	\$ -	\$ -	0

Program Cash Flows		Associated Ers (list all applicable):				
5 years of costs		Capital Cost	O&M Cost	Other Costs	Approved	2560
Previous						
2012	\$ 265,000	\$ -	\$ -	\$ -	\$ -	
2013	\$ 1,337,500	\$ -	\$ -	\$ -	\$ 1,170,000	
2014	\$ 1,900,000	\$ -	\$ -	\$ -	\$ 1,900,000	
2015	\$ -	\$ -	\$ -	\$ -	\$ -	
2016	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ 3,502,500	\$ -	\$ -	\$ -	\$ 3,070,000	

Mandate Excerpt (if applicable):
 Regulatory: Specific transmission lines require rebuild for increased line clearance. Risk Management: Specific transmission lines require rebuild to reduce potential public injury risks.

Additional Justifications:

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).



Capital Program Business Case

Key Performance Indicator(s)
Expected Performance Improvements
KPI Measure:

Prepared signature  11/22/2013

Reviewed signature 
 Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution
Business Case Name: Transmission - NERC Low Priority Mitigation

ER No: 2579
ER Name: Low Priority Ratings Mitigation

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$3,250¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014	250												250
2015	500												500
2016	2,500												2,500

Business Case Description:

This program reconfigures insulator attachments, and/or rebuilds existing transmission line structures, or removes earth beneath transmission lines in order to mitigate ratings/sag discrepancies found between "design" and "field" conditions as determined by LiDAR survey data. This program was undertaken in response to the October 7, 2012 North American Electric Reliability Corporations (NERC) "NERC Alert" - Recommendation to Industry, "Consideration of Actual Field Conditions in Determination of Facility Ratings". This Capital Program (ER25xx) covers mitigation work on Avista's "Low Priority" 230kV and 115kV transmission lines. Mitigation brings lines in compliance with the National Electric Safety Code (NESC) minimum clearances values. These code minimums have been adopted into the State of Washington's Administrative Code (WAC).

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case



Investment Name:	NERC Low Priority Mit
Requested Amount	\$1,500,000
Duration/Timeframe	4 Year Program
Dept., Area:	TLD Engineering
Owner:	Heather Rosentrater
Sponsor:	Don Kopczynski
Category:	Program
Mandate/Reg. Reference:	October 7, 2010 "NERC Alert" w/r Facility Ratings

Assessments:	
Financial:	9.00%
Strategic:	Reliability & Capacity
Business Risk:	Business Risk Reduction >10 and <= 15
Program Risk:	High certainty around cost, schedule and resources

Recommend Program Description:	#NAME?	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
This program reconfigures insulator attachments, and/or rebuilds existing transmission line structures, or removes earth beneath transmission lines in order to mitigate ratings/sag discrepancies found between "design" and "field" conditions as determined by LIDAR survey data. This program was undertaken in response to the October 7, 2012 North American Electric Reliability Corporations (NERC) "NERC Alert" - Recommendation to Industry, "Consideration of Actual Field Conditions in Determination of Facility Ratings". This Capital Program (ER25xx) covers mitigation work on Avista's "Low Priority" 230kV and 115kV transmission lines. Mitigation brings lines in compliance with the National Electric Safety Code (NESC) minimum clearances values. These code minimums have been adopted into the State of Washington's Administrative Code (WAC).	Performance Regulatory compliance, upgraded facilities, greater clearance, and (in some cases) greater load capabilities.	\$ 1,500,000	\$ -	\$ -	1

Alternatives:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
Unfunded Program: The unfunded ("do nothing") approach would place Avista at odds with NERC recommendations, and increase the potential for large fines for any outage and/or incident connected with line clearance. Additionally, failure to mitigate would place Avista in violation of NESC code standards and the WAC.	Relatively high probability of fines and legal action against Avista.	\$ -	\$ -	\$ -	16
Alternative 1: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	1
Alternative 2: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows				
	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2013	\$ -	\$ -	\$ -	\$ -
2014	\$ 250,000	\$ -	\$ -	\$ 250,000
2015	\$ 500,000	\$ -	\$ -	\$ 500,000
2016	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000
2017	\$ 2,500,000	\$ -	\$ -	\$ 2,500,000
Total	\$ 5,750,000	\$ -	\$ -	\$ 5,750,000

Associated Ers (list all applicable):		
2579		

ER	2013	2014	2015	2016	2017	Total	Mandate Excerpt (if applicable):
2579	\$ -	\$ 250,000	\$ 500,000	\$ 2,500,000	\$ 2,500,000	\$ 5,750,000	Regulatory: Specific transmission lines require modification/rebuild for increased line clearance. Risk Management: Specific transmission lines require rebuild to reduce potential public injury risks.
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Additional Justifications: Any supplementary information that may be useful in describing in more detail the nature of the Project, the urgency, etc.
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ 250,000	\$ 500,000	\$ 2,500,000	\$ 2,500,000	\$ 5,750,000	

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

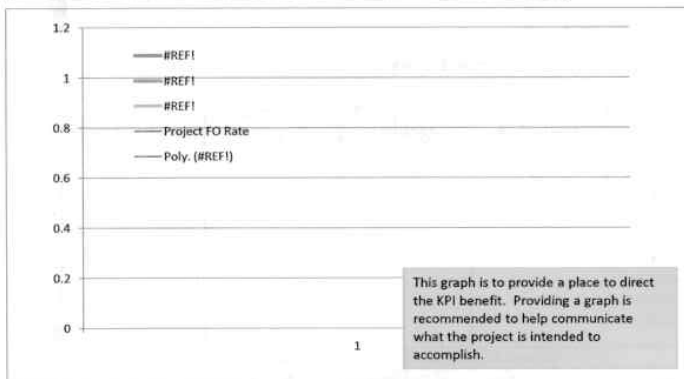
Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)
 Expected Performance Improvements



Capital Program Business Case

KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here



Prepared signature *[Handwritten Signature]* 11/22/2013

Reviewed signature *[Handwritten Signature]*
 Director/Manager

Other Party Review signature
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Program

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Transmission - NERC Medium Priority Mitigation

ER No: 2581
ER Name: Medium Priority Ratings Mitigation

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$4,987¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014	1,693												1,693
2015	3,294												3,294
2016	2,251												2,251

Business Case Description:

This program reconfigures insulator attachments, and/or rebuilds existing transmission line structures, or removes earth beneath transmission lines in order to mitigate ratings/sag discrepancies found between "design" and "field" conditions as determined by LiDAR survey data. This program was undertaken in response to the October 7, 2012 North American Electric Reliability Corporations (NERC) "NERC Alert" - Recommendation to Industry, "Consideration of Actual Field Conditions in Determination of Facility Ratings". This Capital Program (ER2581) covers mitigation work on Avista's "Medium Priority" 230kV and 115kV transmission lines, including North Lewiston-Shawnee 230kV, Beacon-Bell #4 230kV, Beacon-Bell #5 230kV, Noxon-Hot Springs #2 230kV, Beacon-Boulder #2 115kV, Beacon-Francis & Cedar 115kV, 9th & Central-Otis 115kV, Northwest-Westside 115kV, Dry Creek-Talbot 230kV, Walla Walla-Wanapum 230kV, Benewah-Moscow 230kV, Devils Gap-Stratford 115kV. Mitigation brings lines in compliance with the National Electric Safety Code (NESC) minimum clearances values. These code minimums have been adopted into the State of Washington's Administrative Code (WAC).

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case



Investment Name:	NERC Med Priority Mit	Assessments:	
Requested Amount	\$2,500,000	Financial:	9.00%
Duration/Timeframe	2 Year Program	Strategic:	Reliability & Capacity
Dept., Area:	TLD Engineering	Business Risk:	Business Risk Reduction >10 and <= 15
Owner:	Heather Rosenstrater	Program Risk:	High certainty around cost, schedule and resources
Sponsor:	Don Kopczynski		
Category:	Program		
Mandate/Reg. Reference:	October 7, 2010 "NERC Alert" w/r Facility Ratings	Assessment Score:	#NAME?

Recommend Program Description:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
This program reconfigures insulator attachments, and/or rebuilds existing transmission line structures, or removes earth beneath transmission lines in order to mitigate ratings/sag discrepancies found between "design" and "field" conditions as determined by LIDAR survey data. This program was undertaken in response to the October 7, 2012 North American Electric Reliability Corporations (NERC) "NERC Alert" - Recommendation to Industry, "Consideration of Actual Field Conditions in Determination of Facility Ratings". This Capital Program (ER25xx) covers mitigation work on Avista's "Medium Priority" 230kV and 115kV transmission lines, including North Lewiston-Shawnee 230kV, Beacon-Bell #4 230kV, Beacon-Bell #5 230kV, Noxon-Hot Springs #2 230kV, Beacon-Boulder #2 115kV, Beacon-Francis & Cedar 115kV, 9th & Central-Otis 115kV, Northwest-Westside 115kV, Dry Creek-Talbot 230kV, Walla Walla-Wanapum 230kV, Benevah-Moscow 230kV, Devils Gap-Stratford 115kV. Mitigation brings lines in compliance with the National Electric Safety Code (NESC) minimum clearances values. These code minimums have been adopted into the State of Washington's Administrative Code (WAC).	Regulatory compliance, upgraded facilities, greater clearance, and (in some cases) greater load capabilities.	\$ 2,500,000	\$ -	\$ -	1

Alternatives:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
Unfunded Program: The unfunded ("do nothing") approach would place Avista at odds with NERC recommendations, and increase the potential for large fines for any outage and/or incident connected with line clearance. Additionally, failure to mitigate would place Avista in violation of NESC code standards and the WAC.	Relatively high probability of fines and legal action against Avista.	\$ -	\$ -	\$ -	16
Alternative 1: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	1
Alternative 2: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2013	\$ -	\$ -	\$ -	\$ -
2014	\$ 1,693,000	\$ -	\$ -	\$ 1,693,000
2015	\$ 3,294,000	\$ -	\$ -	\$ 3,294,000
2016	\$ -	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -	\$ -
Total	\$ 4,987,000	\$ -	\$ -	\$ 4,987,000

2581

ER	2013	2014	2015	2016	2017	Total	Mandate Excerpt (if applicable):
2581	\$ -	\$ 1,693,000	\$ 3,294,000	\$ -	\$ -	\$ 4,987,000	Regulatory: Specific transmission lines require modification/rebuild for increased line clearance. Risk Management: Specific transmission lines require rebuild to reduce potential public injury risks.
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Additional Justifications: Any supplementary information that may be useful in describing in more detail the nature of the Project, the urgency, etc.
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ 1,693,000	\$ 3,294,000	\$ -	\$ -	\$ 4,987,000	

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO
 Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

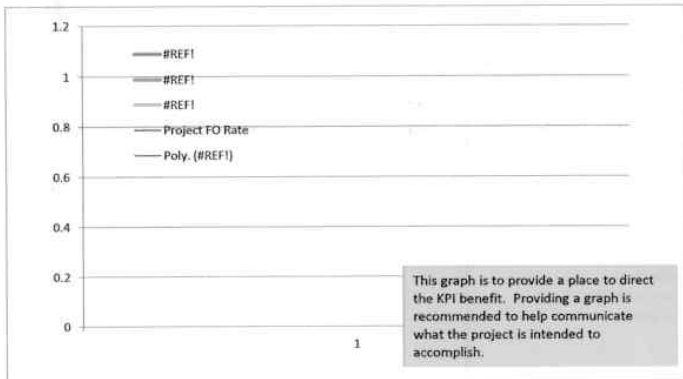
Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)
 Expected Performance Improvements



Capital Program Business Case

KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here



Prepared signature  11/22/2013

Reviewed signature  Director/Manager

Other Party Review signature (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Program

To be completed by Capital Planning Group		Review Cycles	
Rationale for decision	Date	2012-2016	
		Template	

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution
Business Case Name: SCADA - System Operations & Backup Control Center
ER No: 2277 **ER Name:** SCADA Upgrade

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$2,240¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	133										100	17	17
2014	1,090												1,090
2015	515												515
2016	435												435

Business Case Description:

This program replaces and/or upgrades existing electric and gas control center telecommunications and computing systems as they reach the end of their useful lives, require increased capacity, or cannot accommodate necessary equipment upgrades due to existing constraints. Included are hardware, software, and operating system upgrades, as well as deployment of capabilities to meet new operational standards and requirements. Some system upgrades may be initiated by other requirements, including NERC reliability standards, growth, and external projects (e.g. Smart Grid). Examples of upgrades to be completed under this program are Critical Infrastructure Protection version 5 (NERC requirement), Gas Control Room Management (PHMSA requirement), WECC RC Advanced Applications, and Technology Refresh (network and storage).

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Program Business Case



Investment Name:	SCADA - SOO and BUCC
Requested Amount	Average amt 2013-18 is \$518,417
Duration/Timeframe	20 Year Program
Dept., Area:	T&D - SCADA - System Operations
Owner:	Brad Calbick/Heather Rosentrater
Sponsor:	Don Kopczynski
Category:	Program
Mandate/Reg. Reference:	WECC/NERC/FERC

Assessments:	
Financial:	Low - >0% and < 5% CIRR
Strategic:	Reliability & Capacity
Operational:	Operations somewhat impacted by execution
Business Risk:	ERM Reduction >5 and <= 10
Program Risk:	High certainty around cost, schedule and resources
Assessment Score:	64

Recommend Program Description:	Annual Cost Summary - Increase/(Decrease)				Business Risk Score
	Performance	Capital Cost	O&M Cost	Other Costs	
This program replaces and/or upgrades existing electric and gas control center telecommunications and computing systems as they reach the end of their useful lives, require increased capacity, or cannot accommodate necessary equipment upgrades due to existing constraints. Included are hardware, software, and operating system upgrades, as well as deployment of capabilities to meet new operational standards and requirements. Some system upgrades may be initiated by other requirements, including NERC reliability standards, growth, and external projects (e.g. Smart Grid). Examples of upgrades to be completed under this program are Critical Infrastructure Protection version 5 (NERC requirement), Gas Control Room Management (PHMSA requirement), WECC RC Advanced Applications, and Technology Refresh (network and storage).	Improved performance, upgraded equipment, better status & control, new life cycle.	\$ 200,000	\$ -	\$ -	1

Alternatives:		Annual Cost Summary - Increase/(Decrease)				Business Risk Score
		Performance	Capital Cost	O&M Cost	Other Costs	
Unfunded Program:	Non-compliant operational capabilities and practices would result in negative audit findings, financial penalties, and litigation expenses. Obsolete equipment would remain in service until failure. Additional capacity for growth may or may not be suitable for required expansions to meet other (e.g. Regulatory, SGIG) needs.	Severe negative system reliability and compliance impacts	\$ 500,000	\$ 500,000	\$ 500,000	8
Alternative 1: Brief name of alternative (if applicable)	Describe other options that were considered	Performance remains at current levels; min. improve	\$ -	\$ -	\$ -	0
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows					Associated ERTs (list all applicable):				
5 years of costs					2277				
	Capital Cost	O&M Cost	Other Costs	Approved					
2013	\$ 200,000	\$ -	\$ -	\$ 200,001					
2014	\$ 1,090,500	\$ -	\$ -	\$ 1,090,500					
2015	\$ 515,000	\$ -	\$ -	\$ 515,000					
2016	\$ 435,000	\$ -	\$ -	\$ 435,000					
2017	\$ 435,000	\$ -	\$ -	\$ 435,000					
2018	\$ 435,000	\$ -	\$ -	\$ 435,000					
Total	\$ 3,110,500	\$ -	\$ -	\$ 3,110,501					

Mandate Excerpt (if applicable):
 NERC reliability standards are being continually changed. New and changed standards are expected which will address emergency operations, transmission operations, critical infrastructure protection, communications, and balancing authority operations. Gas Control Room Management requirements which address alarm management, and display standards are being implemented and audited. (See http://www.nerc.com/filez/standards/Reliability_Standards_Under_Development.html and <http://primis.phmsa.dot.gov/crm/>)

Additional Justifications:
 This program replaces and/or upgrades existing control center telecommunications and computing systems for a number of reasons including, end of useful life, increased capacity requirements, and new operational and regulatory requirements. Cuts to this program need to be closely evaluated to assure that reliable and compliant operations are not impacted.

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input checked="" type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).
Contract Labor:	<input type="checkbox"/> YES	<input checked="" type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	
				Capital Tools:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	
				Fleet:	<input type="checkbox"/> YES - attach form	<input checked="" type="checkbox"/> NO or Not Required	

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Smart Grid Workforce Training Grant - DOE

ER No: 7205
ER Name: Smart Grid Workforce Training

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$155¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	360									-11	344	13	13
2014													
2015													
2016													

Business Case Description:

Avista is partnering with several utilities and colleges in the region to develop a smart grid workforce training program for a three year period. As a result of this partnership Avista will be upgrading the Jack Stewart Training Center with a substation and distribution training facility for smart grid technology, updating Avista training programs for apprentices, journeymen and pre-line school students to incorporate smart grid technology; and developing several online curriculum offerings to be shared by utilities and colleges in Washington, Oregon, Idaho, Montana and Utah.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Spokane Smart Circuit – Distribution Management System

ER No: 2529
ER Name: Spokane Smart Circuit

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$814¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	1,104							3	-1	944	158		
2014													
2015													
2016													

Business Case Description:

At this time, the utility’s distribution system has little real time information and is unable to respond to dynamic loading and faulted conditions very quickly. This project will install a Distribution Management System that will allow real time system information to be used to control the distribution system. Intelligent end devices such as capacitor banks, air switches and reclosers will be installed and will provide sensing and control of the distribution circuits. Substations control and communication equipment will be upgraded to allow for the control and aggregation of field data. A wireless mesh network will be installed to provide backhaul from end devices to the substations. The project will automate distribution equipment on 58 feeders and in 14 substations.

Offsets:

There are no anticipated offsets with this business case.

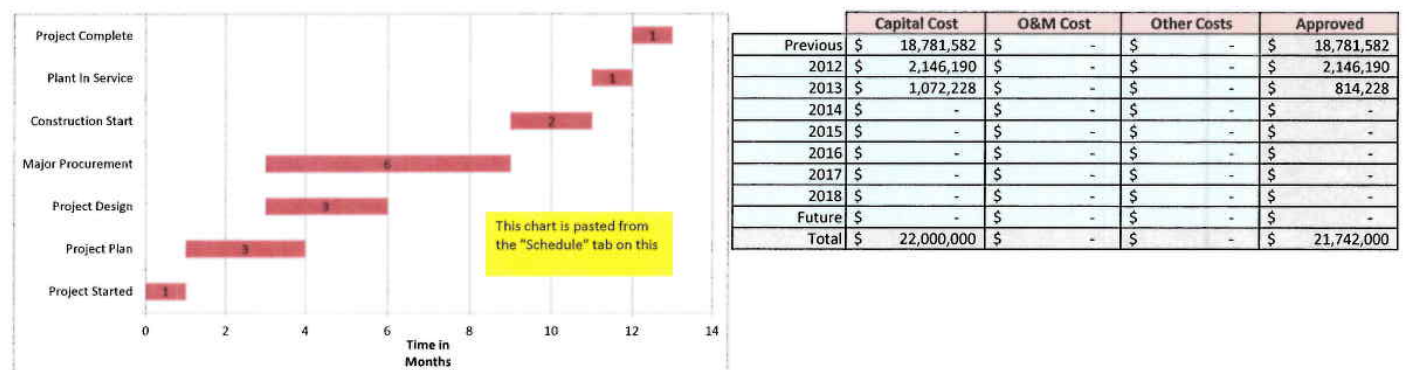
¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Investment Business Case

Investment Name:	Spokane Smart Circuit	Assessments:				
Requested Amount	\$22M	Financial:	High - Exceeds 12% CIRR			
Duration/Timeframe	5 Year Project	Strategic:	Reliability & Capacity			
Dept., Area:	Business Process Improvement	Operational:	Operations improved beyond current levels			
Owner:	Heather Rosentrater	Business Risk:	ERM Reduction >10 and <= 15			
Sponsor:	Don Kopczynski	Project/Program Risk:	High certainty around cost, schedule and resources			
Category:	Project	Assessment Score:	116.166667			
Mandate/Reg. Reference:	n/a	Cost Summary - Increase/(Decrease)				
Recommend Project Description:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
At this time the utility's distribution system has little real time information and is unable to respond to dynamic loading and faulted conditions very quickly. This project will install a Distribution Management System that will allow real time system information to be used to control the distribution system. Intelligent end devices such as capacitor banks, air switches and reclosers will be installed and will provide sensing and control of the distribution circuits. Substations control and communication equipment will be upgraded to allow for the control and aggregation of field data. A wireless mesh network will be installed to provide backhaul from end devices to the substations. The project will automate distribution equipment on 58 feeders and in 14 substations.		Distribution Automation reducing system losses and outage impacts	\$ 22,000,000	\$ -	\$ -	8
		Cost Summary - Increase/(Decrease)				
Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Status Quo :	System continues to operate as today.	n/a	\$ -	\$ -	\$ -	20
Alternative 1: Brief name of alternative (if applicable)	A distribution automation system is implemented on 14 substations and 59 of the distribution circuits.	Distribution Automation reducing system losses	\$ 22,000,000	\$ -	\$ -	8
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable)	Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Timeline Construction Cash Flows (CWIP)



Milestones (high level targets)					
October-09	Project Started	June-12	Plant In Service	mm/dd/yy	open
October-09	Project Plan	March-13	Project Complete	mm/dd/yy	open
June-10	Project Design	mm/dd/yy	open	mm/dd/yy	open
October-09	Major Procurement	mm/dd/yy	open		
October-09	Construction Start	mm/dd/yy	open		

Milestones should be general. In some cases it may be as simple as project start, project complete. Use your judgement on project progress so that progress can be measured.

Associated Ers (list all applicable):	Current ER				
	2529				
Mandate Excerpt (if applicable):	1937 renewable portfolio standard				

Additional Justifications:
 This project is in conjunction with a federal smart grid grant. Avista is contractually obligated to complete the scope of work and could risk up to \$20M in lost grant moneys.



Capital Investment Business Case

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Avoided Outage Hours
	Reduced system losses (MWh/Yr)



Prepared signature John Gibson

Reviewed signature Director/Manager

Other Party Review signature _____
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the project

To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Thornton 230 kV Switching Station

ER No: 2545
ER Name: Thorton 230kv Switching Station-Construction WIND

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$0¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	14								14				
2014													
2015													
2016													

Business Case Description:

This project will design and construct the Thornton 230kV Switching Station in accordance with the LGIA with Palouse Wind, LLC. Per the Agreement, Avista will own, operate, and maintain this switching station and will be responsible for 2/3 of the overall cost while Palouse Wind will be responsible for 1/3 of the overall cost.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.

Capital Investment Business Case



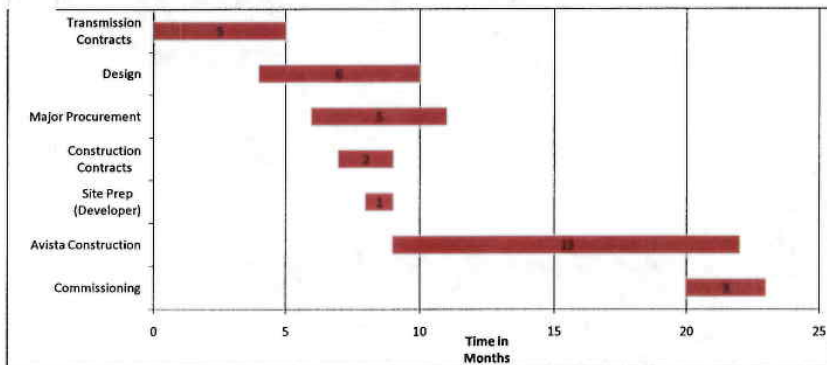
Investment Name:	Thornton 230 kV Switching Station	Assessments:	
Requested Amount	\$5,000,000	Financial:	Medium - >= 5% & <9% CIRR
Duration/Timeframe	2 Year Project	Strategic:	Renewables
Area:	T&D - Substation Engineering	Operational:	Operations improved beyond current levels
Sponsor:	Rick Vermeers	Business Risk:	ERM Reduction >10 and <= 15
Category:	Project	Project/Program Risk:	High certainty around cost, schedule and resources
Mandate/Reg. Reference:	n/a	Assessment Score:	100

Recommend Project Description:	Performance	Cost Summary - Increase/(Decrease)			ERM Risk Score
		Capital Cost	O&M Cost	Other Costs	
This project will design and construct the Thornton 230 kV Switching Station in accordance with the LGIA with Palouse Wind, LLC. Per the Agreement, Avista will own, operate, and maintain this switching station and will be responsible for 2/3 of the overall cost while Palouse Wind will be responsible for 1/3 of the overall cost. Billing information can be found within the LGIA. Design, procurement, and construction activities are presently underway up to the \$2.4M committed by First Wind under the July 1st, 2011 Limited Authorization to Proceed. There is a lot of liability around this project with the potential for lawsuit if we cannot meet our commitment.	required to adequately isolate the wind farm without impacting our system and customers	\$ 5,000,000	\$ -	\$ -	1

Alternatives:	Performance	Cost Summary - Increase/(Decrease)			ERM Risk Score
		Capital Cost	O&M Cost	Other Costs	
Status Quo: Avista has required this switching station to interconnect the Palouse Wind farm on to our system. Interconnection is not an option without this station so there is no "status quo." We will see litigation if we do not meet our deadline as outlined in the LGIA with Palouse Wind, LLC.	n/a	\$ -	\$ -	\$ 7,000,000	12
Alternative 1: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 2: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Timeline

Construction Cash Flows (CWIP)



	Capital Cost	O&M Cost	Other Costs
Previous	\$ 1,750,000	\$ -	\$ -
2012	\$ 3,250,000	\$ -	\$ -
2013	\$ -	\$ -	\$ -
2014	\$ -	\$ -	\$ -
2015	\$ -	\$ -	\$ -
2016	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -
Future	\$ -	\$ -	\$ -
Total	\$ 5,000,000	\$ -	\$ -

Milestones (high level targets)

January-11	Project Started	September-11	Avista Crew On Site for Structural Work
March-11	Preliminary Design Begins	October-11	Avista Electrical Design Transmitted
June-11	Spend Approval	September-12	Construction Completed
July-11	Avista Physical Design Transmitted	November-12	Commissioning
August-11	Developer Begins Site Work	December-12	Energize all Facilities

Associated Ers (list all applicable):	2545						
--	------	--	--	--	--	--	--

Mandate Excerpt (if applicable):	This does help Avista meet the requirements of Washington state initiative I-937.						
---	---	--	--	--	--	--	--

Additional Justifications:	LGIA PPA, Planning Studies (Feasibility, System Impact, Facilities), and all other documentation can be provided upon request.
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Capital Investment Business Case

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)

Expected Performance Improvements
KPI Measure: Switching Station Energized by 12/17/12.

Prepared signature Michael A. Magruder

Reviewed signature Bill W...
 Director/Manager

Other Party Review signature (if necessary) Tom ...
 Director/Manager

Thornton 230 kV Switching Station - Before (Right) & After (Below) Site Prep

The photo to the right was taken on July 26, 2011, just before the wind developer's contractor moved on site.
 The photo below shows that same site exactly one month later, August 26, 2011. Avista crews moved on site on Monday, August 29 to begin forming foundations for the structures. Panelhouse is expected to arrive just before Thanksgiving and the Electric/Relay crews will complete the project in 2012.
 This project is well into construction.



To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Purchase Westside Property

ER No: 2531
ER Name: Purchase Westside Property

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$0¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013	70								70				
2014													
2015													
2016													

Business Case Description:

This business case is for the purchase of property at Westside. The purchase was made for the anticipated reconstruction of the existing 115 kV and 230/115 kV Autotransformer bus arrangement anticipated to being in 2017 or 2018.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Investment Name:	Westside Rebuild	Assessments:	
Requested Amount	\$4,200,000	Financial:	
Duration/Timeframe	3 Year Program	Strategic:	None
Dept., Area:	T&D - Substations/Transmission	Business Risk:	Business Risk Reduction - None
Owner:	Heather Rosentrater	Project Risk:	High certainty around cost, schedule and resources
Sponsor:	Don Kopczynski		
Category:	Productivity		
Mandate/Reg. Reference:	n/a	Assessment Score:	28

Recommend Project Description:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
Reconstruct the existing 115 kV and 230/115 kV Autotransformer bus arrangement and increase the transformation at Westside 230 kV Substation to eliminate overloads for credible bus outages and tie breakers failure contingencies in the Spokane area. The proposed bus arrangement for the 115 kV bus is our present standard of breaker and a half. The autotransformer capacity would increase to the current standard of 250 MVA each. In addition the Westside 230 kV station physical condition has been identified at end of life cycle.	Improved performance, upgraded equipment, better status & control, new life cycle.	\$ 4,200,000	\$ -	\$ -	0

Alternatives:	Performance	Annual Cost Summary - Increase/(Decrease)			Business Risk Score
		Capital Cost	O&M Cost	Other Costs	
Unfunded Project: Outages causing loss of 230/115 kV transformer at Bell or Beacon Stations cause the Westside #1 & #2 230/115 kV Transformers to exceed their facility ratings. The overload mitigation may require the shedding of load to maintain an acceptable operating condition.	n/a	\$ 120,000	\$ 75,000	\$ -	0
Alternative 1: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 2: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0
Alternative 3 Name: Brief name of alternative (if applicable) Describe other options that were considered	describe any incremental changes in operations	\$ -	\$ -	\$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2013	\$ -	\$ -	\$ -	\$ -
2014	\$ 750,000	\$ -	\$ -	\$ -
2015	\$ 3,500,000	\$ -	\$ -	\$ -
2016	\$ 4,200,000	\$ -	\$ -	\$ -
2017	\$ -	\$ -	\$ -	\$ -
2018	\$ -	\$ -	\$ -	\$ 750,000
2019	\$ -	\$ -	\$ -	\$ -
Total	\$ 8,450,000	\$ -	\$ -	\$ 750,000

Associated Ers (list all applicable):			
2531			

ER	2013	2014	2015	2016	2017	Total	Mandate Excerpt (if applicable):
2531	\$ -	\$ 750,000	\$ 3,500,000	\$ 4,200,000	\$ -	\$ 8,450,000	Obligation to serve: Substation requires increased capacity due to Spokane area load growth.
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ 750,000	\$ 3,500,000	\$ 4,200,000	\$ -	\$ 8,450,000	Additional Justifications: Analysis of the Spokane Area Transmission System is documented in the Spokane Area Regional Assessment identifying several performance issues in the five and ten year planning horizon. The observed overloads occur in the 2014 base cases making the issues an operations concern. Westside #1 230/115 kV Transformer will overload by 2017 for an outage of Westside #2 230/115 kV Transformer.

Milestones (high level targets)

Date	Activity	Start	End	Status	Notes
January-14	Sub Design Begins	July-16	Commission Auto #2	January-00	open
August-14	Grading and foundations	January-00	open	January-00	open
January-15	Install Steel, 115 kV breakers, Bus	January-00	open	January-00	open
July-15	115 kV line cut over and Auto # 2	January-00	open	January-00	open
September-15	Commission 115 kV and Auto #1	January-00	open	January-00	open
January-16	Install 230 kV breaker and Auto #1	January-00	open	January-00	open

Milestones should be general. Use your judgement on project progress so that progress can

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability: Low Probability Medium Probability High Probability Enterprise Tech: YES - attach form NO or Not Required Capital Tools: YES - attach form NO or Not Required YES NO or Not Required



Capital Project Business Case

Contract Labor:

Low Frequency
 YES

Medium Frequency
 NO

High Frequency

Facilities:

YES - attach form
 YES - attach form

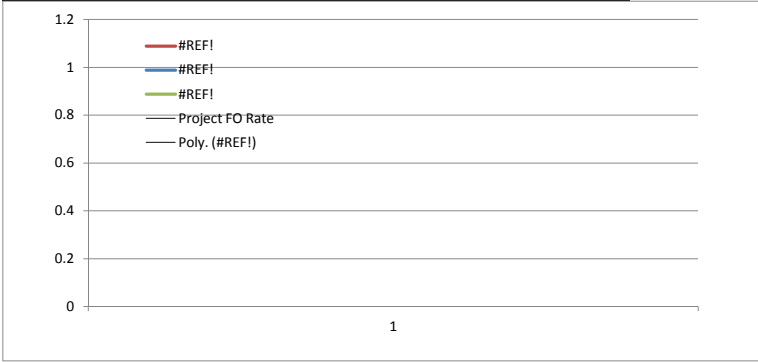
NO or Not Required
 NO or Not Required

Fleet:

YES - attach form
 YES - attach form

NO or Not Required
 NO or Not Required

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here

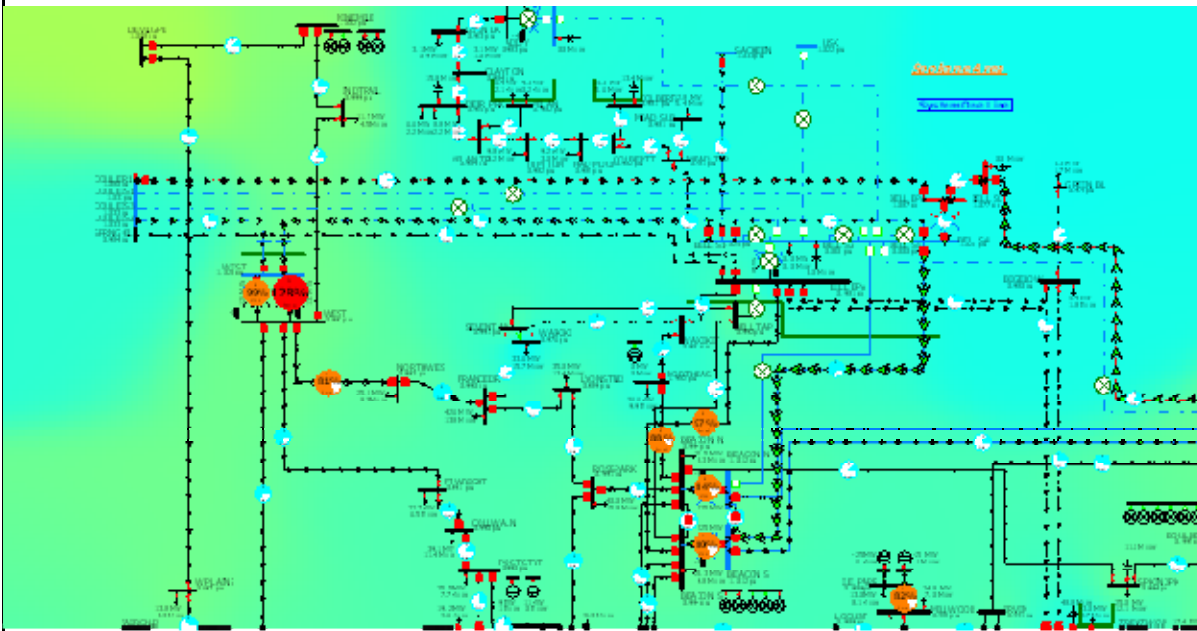


Prepared signature

Reviewed signature Director/Manager

Other Party Review signature Director/Manager
 (if necessary)

Below is a visual of the Westside autotransformer overload for a Bell 230 kV bus tie failure.



To be completed by Capital Planning Group

Rationale for decision	Review Cycles 2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Customer Prepay

ER No: 2585
ER Name: Customer Prepay

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$2,000¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014													
2015	1,997												
2016													1,997

Business Case Description:

Customer Pre Pay- This project would update customer systems and the AMR interfaces to enable prepay programs. These systems need to be set up so that customer's balance can trigger a disconnect when the customer's balance hits zero. The system also need to alert customers to the low balance prior to disconnect. O&M reductions could occur based on the reduction of collection(s) activities.

Offsets:

There are no anticipated offsets with this business case.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Project Business Case

Investment Name:	Customer Pre Pay	Assessments:	
Requested Amount	\$2,000,000	Financial:	0.00%
Duration/Timeframe	no. years 1	Strategic:	Customer Experience
Dept., Area:	Energy Delivery	Business Risk:	Business Risk Reduction >0 and <= 5
Owner:	Heather Rosentrater	Project Risk:	Low certainty around cost, schedule and resources
Sponsor:	Don Kopczynski	Assessment Score:	14
Category:	Productivity	Annual Cost Summary - Increase/(Decrease)	
Mandate/Reg. Reference:	n/a	Capital Cost	O&M Cost

Recommend Project Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Customer Pre Pay- This project would update customer systems and the AMR interfaces to enable prepay programs. These systems need to be set up so that customer's balance can trigger a disconnect when the customer's balance hits zero. The system also need to alert customers to the low balance prior to disconnect. O&M reductions could occur based on the reduction of collection(s) activities.	describe any incremental changes that this Project would benefit present operations	\$ 2,000,000	\$ 300,000	\$ -	4

Alternatives:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Project:	Utility will still follow the existing model where customers are billed monthly for consumption.	\$ -	\$ -	\$ -	12
Alternative 1: Brief name of alternative (if applicable)	The utility will provide a rate schedule for customers that have eligible advanced meters to opt into a pre pay program. Requires integration to CSS and MDM and will require a remote disconnect switch on residences.	\$ 2,000,000	\$ 200,000	\$ -	4
Alternative 2: Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0
Alternative 3 Name : Brief name of alternative (if applicable)	Describe other options that were considered	\$ -	\$ -	\$ -	0

Program Cash Flows

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2013	\$ -	\$ -	\$ -	\$ -
2014	\$ -	\$ -	\$ -	\$ -
2015	\$ 2,000,000	\$ 100,000	\$ -	\$ 2,000,000
2016	\$ -	\$ 100,000	\$ -	\$ -
2017+	\$ -	\$ 100,000	\$ -	\$ -
Total	\$ 2,000,000	\$ 300,000	\$ -	\$ 2,000,000

Associated Ers (list all applicable):			

ER	2013	2014	2015	2016	2017+	Total	Mandate Excerpt (if applicable):
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	provide brief citation of the law or regulation and a reference number if possible
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
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0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Total	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Additional Justifications: Any supplementary information that may be useful in describing in more detail the nature of the Project, the urgency, etc.

Milestones (high level targets)

January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open
January-00	open	January-00	open	January-00	open

Milestones should be general. Use your judgement on project progress so that progress can

Resources Requirements: (request forms and approvals attached)

Internal Labor Availability:	<input type="checkbox"/> Low Probability	<input type="checkbox"/> Medium Probability	<input type="checkbox"/> High Probability	Enterprise Tech:	<input type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required	Capital Tools:	<input type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required
Contract Labor:	<input type="checkbox"/> YES	<input type="checkbox"/> NO		Facilities:	<input type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required	Fleet:	<input type="checkbox"/> YES - attach form	<input type="checkbox"/> NO or Not Required

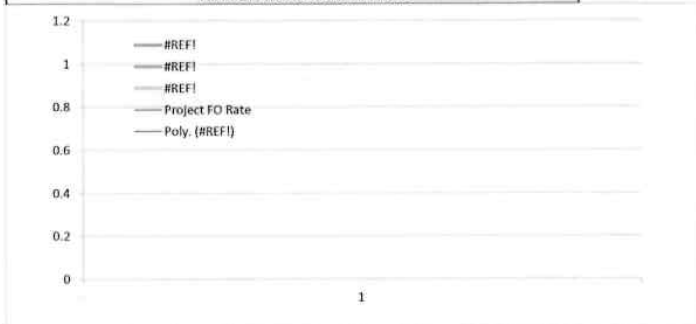
Capital Project Business Case



Key Performance Indicator(s)

Expected Performance Improvements

KPI Measure:	Fill in the name of the KPI here
	Fill in the name of the KPI here



Prepared signature [Signature]
 Reviewed signature [Signature]
 Director/Manager
 Other Party Review signature _____
 (if necessary) Director/Manager

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Project

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Noxon Switchyard Rebuild

ER No: 2532
ER Name: Noxon 230 kV Substation - Rebuild

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$11,400¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014													
2015	8,425									7,900			525
2016	500												500

Business Case Description:

The existing Noxon Rapids 230 kV Switchyard requires reconstruction due to the present age and condition of the equipment in the station. The existing bus is constructed as strain bus (which has suffered a number of recent failures) and is configured as a single bus with a tiebreaker separating the East and West buses. The station is the interconnection point of the Noxon Rapids Hydroelectric development as well as a principal interconnection point between Avista and BPA, and as such is a significant asset in the reliable operation of the Western Montana Hydro Complex. Equipment outages within the Station (planned or unplanned) can cause significant curtailments of the local generation output. Due to the significance of the station, a complete rebuild will require coordination with Avista’s Energy Resources Department and neighboring utilities, primarily BPA. The Noxon Switchyard Rebuild Project is proposed to be a Greenfield Double Bus Double Breaker 230 kV switching station to replace the existing Noxon Switchyard.

Offsets:

There are no anticipated offsets with this business case.

¹The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Investment Business Case

Resources Requirements: (request forms and approvals attached)


Internal Labor Availability: Low Probability Medium Probability High Probability
 Contract Labor: YES NO

Enterprise Tech: YES - attach form NO or Not Required
 Facilities: YES - attach form NO or Not Required
 Capital Tools: YES - attach form NO or Not Required
 Fleet: YES - attach form NO or Not Required

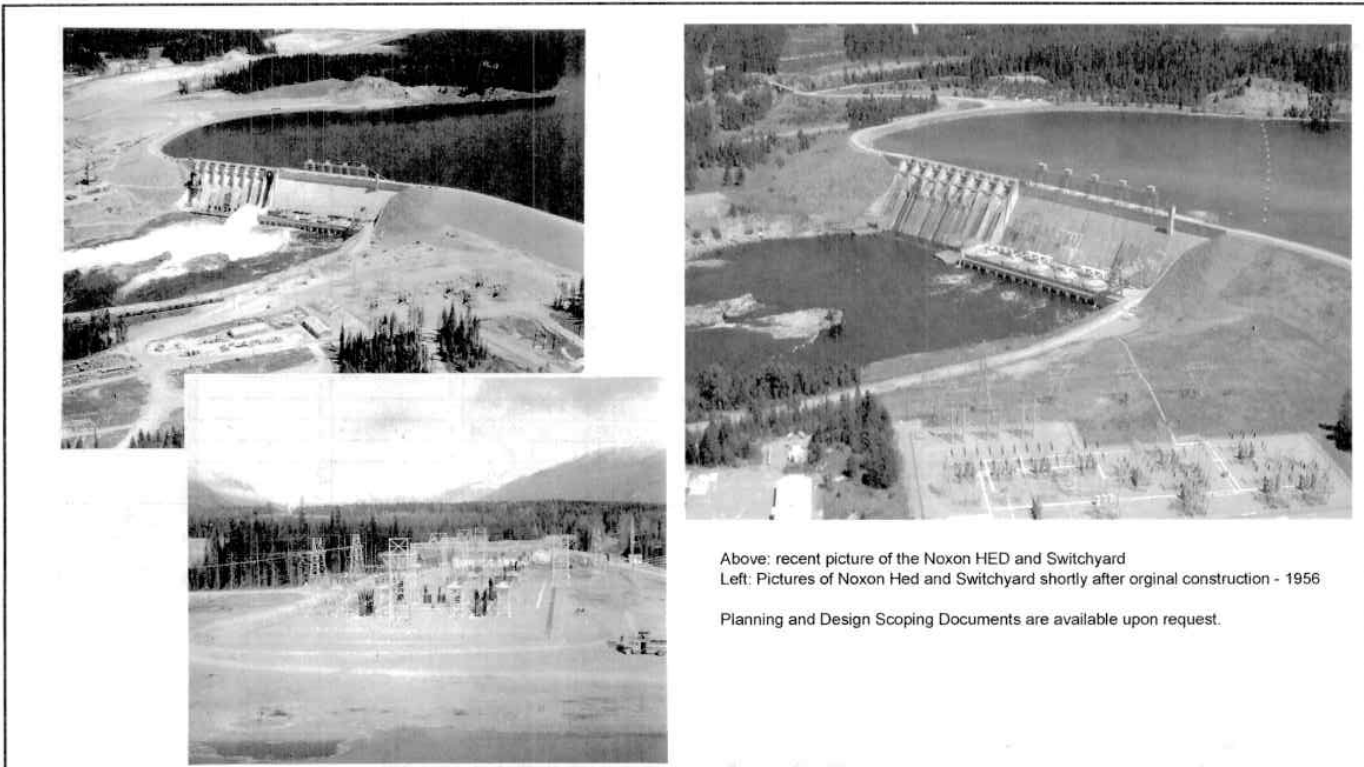
Check the appropriate box. The internal and contract labor boxes should be checked to indicate if the resource owners have been contacted and to provide a general sense of how likely staff will be provided (this does not require a firm commitment).

Key Performance Indicator(s)	
Expected Performance Improvements	
KPI Measure:	Complete Reactor Yard/minor station upgrades in 2015.
	Complete remainder of station as time/budget allows.

Prepared 
 Mike Magruder/Ken Sweigart, T&D Substations/Transmission

Reviewed 
 Heather Rosentrater, Director - ENSO

Reviewed 
 Andy Vickers, Director - GPSS



Above: recent picture of the Noxon HED and Switchyard
 Left: Pictures of Noxon Hed and Switchyard shortly after original construction - 1956
 Planning and Design Scoping Documents are available upon request.

To be completed by Capital Planning Group

Rationale for decision	Review Cycles	
	2012-2016	
	Date	Template

**AVISTA UTILITIES
2013-2016 CAPITAL PROJECTS**

Functional Group: Electric Transmission / Distribution

Business Case Name: Street Light Management

ER No: 2584
ER Name: Street Light Conversion to LED Fixtures

Approved Business Case Spend Amount 2013-2016 (\$000s - System): \$4,640¹

Transfer to Plant Amounts (\$000s - System):

Year	Total	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2013													
2014													
2015	2,320	193	193	193	193	193	193	193	193	193	193	193	193
2016	2,320	193	193	193	193	193	193	193	193	193	193	193	193

Business Case Description:

Street Light Maintenance Program. This program is a 5 year planned replacement of bulbs and 10 year planned replacement of photocells. This alternative has the starter boards running to failure.

Offsets:

The attached business case does not show O&M Offsets, however after further discussion, we anticipate there will be O&M savings in 2015 in the amount of \$488,000 (\$317,249 WA). The offsets occur due to converting 100 Watt street lights from High Pressure Sodium. The savings comes from eliminating the labor, equipment, material, and overhead costs associated with repairing older lights.

¹ The business case amount reflects approved capital expenditures for the years indicated and not transfers to plant.



Capital Program Business Case

Investment Name:	Street Light Management	Assessments:	
Requested Amount	\$11,600,000	Financial:	8.46%
Duration/Timeframe	5 Years 2015	Strategic:	Life-cycle asset management
Dept., Area:	Operations	Business Risk:	Business Risk Reduction >10 and <= 15
Owner:	Al Fisher	Program Risk:	Moderate certainty around cost, schedule and resources
Sponsor:	Don Kopczynski	Assessment Score:	108
Category:	Program	Annual Cost Summary - Increase/(Decrease)	
Mandate/Reg. Reference:	n/a		

Recommend Program Description:	Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Street Light Maintenance Program. This program is a 5 year planned replacement of bulbs and 10 year planned replacement of photocells. This alternative has the starterboards running to failure.	8.46%				4

Alternatives:		Performance	Capital Cost	O&M Cost	Other Costs	Business Risk Score
Unfunded Program: Continue maintaining the street lights as failures occur	The lights are currently maintained based on customer feedback and/or due to being noticed by an Avista employee. Many street lights are out for long periods of time which can put us at risk. We also spend a large amount of time driving from issue to issue.	5.62%	\$ -	\$ 732,012	\$ 729,141	16
Alternative 1:	Street Light Maintenance Program. This program is a 5 year planned replacement of 100 Watt Street Light with LED Fixtures. This will save an estimated 8,500 MWH per year of energy and reduce O&M spending by \$540,000 per year.	8.46%	\$ 2,320,000	\$ 193,824	\$ (729,141)	4
Alternative 2:	Street Light Maintenance Program. This program is a 5 year planned replacement of bulbs and starterboards and a 10 year planned replacement of photocells. This program retains the current HPS fixtures.	12.12%	\$ -	\$ 1,030,000	\$ (713,793)	8
Alternative 3:						

	Capital Cost	O&M Cost	Other Costs	Approved
Previous	\$ -	\$ -	\$ -	\$ -
2013	\$ -	\$ -	\$ -	\$ -
2014	\$ -	\$ -	\$ -	\$ -
2015	\$ 2,320,000	\$ 193,824	\$ (729,141)	\$ 2,320,000
2016	\$ 2,320,000	\$ 198,241	\$ (829,395)	\$ 2,320,000
2017	\$ 2,320,000	\$ 203,970	\$ (926,982)	\$ 2,320,000
Total	\$ 6,960,000	\$ 596,035	\$ (2,485,517)	\$ 6,960,000

2584		



Capital Program Business Case

This space is to be used for photographs, charts, or other data that may be useful in evaluating the Program

To be completed by Capital Planning Group

Rationale for decision	Review Cycles
	2012-2016

Capital Program Business Case



	Date	Template