Exhibit No. BGM-9
Dockets UE-160228/UG-160229
Witness: Bradley G. Mullins

BEFORE THE

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

EXHIBIT NO. BGM-9

COMPANY RESPONSES TO DATA REQUESTS

August 17, 2016

AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	04/15/2016
CASE NO:	UE-160228 & UG-160229	WITNESS:	Jennifer Smith
REQUESTER:	ICNU	RESPONDER:	Ryan Finesilver
TYPE:	Data Request	DEPT:	State & Fed Regulation
REQUEST NO.:	ICNU – 083	TELEPHONE:	(509) 495-4879
		EMAIL:	ryan.finesilver@avistacorp.com

REQUEST:

Refer to 24:16-18. Please explain why a 90%/10% split for director fee expenses are currently recorded on the Company's books, given the Commission's decision in Order 05 of the Company's 2015 GRC ("Order 05"), ¶ 220, in which the Commission decided to "continue to authorize only 50 percent of director fees and meeting costs in both electric and natural gas rates."

RESPONSE:

Please refer to Ms. Smith's direct testimony (JSS-1T) page 25 for the Company's justification of using a 90%/10% sharing of director fees during the test period and the proposed 97%/3% sharing for the 2017 and 2018(6-month) rate period.

The Commission stated in Order 05 of the Company's 2015 GRC at ¶ 220 "Avista has not presented substantial evidence as to why this practice should be modified. Absent such a showing, we continue to authorize only 50 percent of director fees and meeting costs in both electric and natural gas rates." In Ms. Smith's testimony (JSS-1T) she provided support for the Company's 90/10 allocation of director fees. Each year the directors complete an estimate of time spent on utility and non-utility operations based on their actual experience. In the aggregate, the most recent survey completed in November 2015, showed a result of 97%/03% split between utility and non-utility operations. Please see ICNU_DR_083 Attachment A for a copy of these estimates for 2015. The Company remained conservative in their accounting of these costs by continuing to split director fees 90% utility and 10% non-utility.

The 90% utility 10% non-utility split is consistent with the Company's current internal Regulatory Accounting Guidelines. This sharing represented the allocation of director fees paid to the board of directors during the year based on prior historical level of utility versus non-utility activities involving directors. Please see ICNU_DR_083 Attachment B for a copy of those guidelines pertaining to director fees.

Note that director fees are system common costs which are shared amongst Avista's jurisdictions in which the Company operates. No other jurisdiction has imposed a 50%/50% split on the Company's director fees expense. The Company has appropriately recorded these expenses using 90%/10% sharing based on past survey results, and adjusted this sharing within individual jurisdictional rate cases.

As noted in Ms. Smith's testimony, fees paid to directors are part of the compensation package offered to attract and retain qualified officers and directors. Similarly, D&O insurance is a necessary cost which, in Docket Nos. UE-090134 and UG-090135 Order No. 10, the Commission approved the Company's 90%/10% split for D&O Insurance.

Recovery of only 50% of director fees and costs does not appropriately recognize the ordinary cost of doing business as a large, publicly-traded company, requiring substantial oversight responsibilities of an independent board of directors. While it is reasonable to apportion some of the directors fees and costs to unregulated operations, that should reflect a true assessment of the extent of any director involvement in unregulated operations of the Company. As described above, each director is surveyed in order to assess the amount of time dedicated to unregulated activities; the most recent survey is a 97/3 overall split. To assign a greater 50% disallowance is unreasonable.

Nor is it reasonable to arbitrarily disallow a large portion of these costs on the basis that shareholders should bear a share of these expenses. These are costs incurred in the ordinary course of business that cannot be avoided. The Company, as a publicly-traded company must be able to attract and retain a qualified board of directors to provide required oversight and independent guidance. The Company does not have the option to refuse to incur these costs, any more than it does to refuse to pay its taxes or provide salaries to its employees; all are costs of doing business.

The question of whether the Company is paying a fair and reasonable amount for such service has been answered by the independent compensation studies performed by Milliman that benchmarks director fees against other similarly-situated companies that compete for the talents of board-members.

In the final analysis, a reasonable level of Director fees must be paid in order to attract and retain directors, who are required for the independent oversight of compliance and governance.

AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	07/25/2016
CASE NO:	UE-160228 & UG-160229	WITNESS:	Karen Schuh
REQUESTER:	ICNU	RESPONDER:	Karen Schuh
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	ICNU – 163	TELEPHONE:	(509) 495-2293
		EMAIL:	karen.schuh@avistacorp.com

REQUEST:

For each of the 12 projects detailed in Exhibit No. KKS-5 as "Modified Test Year Pro Forma Projects" which have yet to be placed into service, please provide the projected amount of capital to be placed into service, detailed by month, over the remaining duration of the project.

RESPONSE:

Please see ICNU_DR_163 Attachment A for expected transfers to plant by month from January 2016 through June 30, 2018 on a system basis. While this may not represent the entirety of the project life (i.e., some projects or programs will have transfers beyond this date, while others are complete), however, this represents the best information available to date.

Avista Corp.
Transfers to Plant 2016 - System

Erval	Sum of Jan-Actual	Sum of Feb-Actual	Sum of Mar-Actual	Sum of Apr-Actual	Sum of May-Actual	Sum of Jun-forecast	Sum of Jul-forecast	Sum of Aug-forecast	Sum of Sep-forecast	Sum of Oct-forecast	Sum of Nov-forecast	Sum of Dec-forecast
2532	-	38,789	14,455,021	21,001	8,516	-	-	-	-	-	-	2,084,568
3005	377,223	429,096	181,309	514,796	1,284,302	551,800	674,705	681,672	716,829	510,703	623,447	907,657
3007	31,566	83,346	84,194	127,688	118,757	107,000	178,571	194,173	155,321	228,208	157,344	229,521
3008	154,630	479,727	1,178,526	1,837,696	1,858,227	2,626,445	3,169,890	3,124,327	2,096,708	1,198,756	708,569	86,308
4116	720,730	951,210	403,823	259,002	298,359	1,198,456	1,867,078	1,190,650	1,327,541	990,059	843,143	878,539
4140	73,376	130,161	5,722	96,701	311,123	274,734	66,757,077	713,105	445,674	-	-	75,000
4152	-	15,263,441	357,325	37,087	29,657	-	-	400,000	850,000	350,000	820,000	-
4161	-	-	-	-	16,217,927	144,000	-	-	-	-	-	-
4162	-	14,170,764	212,743	281,282	48,922	184,664	249,201	243,701	48,863	-	-	-
5005	522,954	774,974	1,149,207	2,925,550	791,837	534,957	4,265,570	1,228,310	2,023,067	3,751,689	2,023,147	2,242,998
7126	866,428	43,653	41,224	18,210	5,211,533	300,062	25,000	45,000	-	-	-	1,000,000
7139	-	0	-	-	3,670,446	300,000	200,000	-	-	-	-	-
Grand Total	**2,746,907**	**32,365,162**	**18,069,094**	**6,119,011**	**29,849,606**	**6,222,118**	**77,387,092**	**7,820,938**	**7,664,003**	**7,029,415**	**5,175,650**	**7,504,591**

AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	08/04/2016
CASE NO:	UE-160228 & UG-160229	WITNESS:	Karen Schuh
REQUESTER:	ICNU	RESPONDER:	Karen Schuh
TYPE:	Data Request	DEPT:	Rates and Tariffs
REQUEST NO.:	ICNU – 166	TELEPHONE:	(509) 495-2293
		EMAIL:	karen.schuh@avistacorp.com

REQUEST:

Please identify each capital project with a capital budget in excess of $10 million that the Company placed into service over the period January 2007 through June 2015 (inclusive). For each project, please identify the total amount of capital placed into service, the useful life, the in-service date, the Washington cost allocation factor and a brief description.

RESPONSE:

Please see the Company's response to ICNU_DR_166 Attachment A for projects that transfer to plant from January 2007 to June 2015 in excess of $10 million.

Per discussion with ICNU consultant Mr. Mullins, the Company will supplement this response with data through September 2015 as soon as available.

Avista Utilities
Individual Projects in excess of $10 million 2007-2015

		System								
ER	**ER Name**	**2007**	**2008**	**2009**	**2013**	**2014**	**2015**	**Depreciable Life %**	**In Service Date**	**Service**
2105	Benewah-Shawnee 230 kV Construction	53,998,198						1.82%	August and November 2007	ED
4136	Noxon Rapids Unit 1 Runner Upgrade			17,700,421				1.87%	May 2009	ED
4148	Regulating Hydro		10,942,834					1.87%	April 2008	ED
5005	Information Technology Refresh Program				12,048,828			20-23%	Throughout 2013	CD
5005	Information Technology Refresh Program					13,154,220		20-23%	Throughout2014	CD
5106	Next Generation Radio System					11,483,620		20-23%	February and September 2014	CD
5138	Customer Information System (CIS) Replacement				10,390,158			6.66%	September 2013	CD
5138	Customer Information System (CIS) Replacement						96,719,001	6.66%	February 2015	CD
7126	Long term Campus Re-Structuring Plan				10,111,250			3.81%	Throughout 2013	CD
7201	Jackson Prairie Storage - Gas North Share		12,276,337					1.59%	October 2008	GD

Note: No transfers of individual projects exceeded the $10 million threshold from 2010-2012. The company has provided the current depreciable life for each asset as the useful life of each asset is not readily available and since the C depreciation study (in the last 5 years) the useful life is believed to be close to the depreciable life.

Jurisdiction	Alloc, Factor Name	Electric - Washington Allocation Factor	Natural Gas - Washington Allocation Factor	WA - E	WA - G	Year	Description
AN	PT Ratio	0.6459	NA	34,877,436	NA	2007	Construction of 60 miles of new 230 kV transmission line between the Benewah and Shawnee substations
AN	PT Ratio	0.6487	NA	11,482,263	NA	2009	Upgrade Unit 1 adding additional capacity to the 1950's technology.
AN	PT Ratio	0.6442	NA	7,049,374	NA	2008	Please See Company Witness Kinney Testimony for a description
AA	4 Factor	0.4896	0.1313	5,899,299	1,582,013	2013	Please See Company Witness Schuh Testimony for a description
AA	4 Factor	0.4841	0.1305	6,367,420	1,716,676	2014	Please See Company Witness Schuh Testimony for a description
AA	4 Factor	0.4841	0.1305	5,558,751	1,498,656	2014	Please See Company Witness Schuh Testimony for a description
AA	4 Factor	0.4896	0.1313	5,087,188	1,364,229	2013	Replacement of the Company's legacy Customer Information and Work
AA	4 Factor	0.4868	0.1344	47,083,370	12,997,661	2015	and Asset Management System.
AA	4 Factor	0.4896	0.1313	4,950,630	1,327,609	2013	Please See Company Witness Schuh Testimony for a description
AN	Underground Storage	NA	0.6477	NA	7,951,383	2008	Please See Company Witness Morehouse Testimony for a description

ompany has participated in a recent

AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	07/27/2016
CASE NO:	UE-160228 & UG-160229	WITNESS:	Jennifer Smith
REQUESTER:	ICNU	RESPONDER:	Annette Brandon
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	ICNU – 170	TELEPHONE:	(509) 495-4324
		EMAIL:	annette.brandon@avistacorp.com

REQUEST:

For each of the calendar years 2012, 2013, 2014, and 2015, please state the percentage of the Company's labor expenditures that were capitalized.

RESPONSE:

The percentage of overall labor capitalized for 2012-2015 is as follows:

2012	32%
2013	35%
2014	34%
2015	36%

AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	07/21/2016
CASE NO:	UE-160228 & UG-160229	WITNESS:	Clint Kalich
REQUESTER:	ICNU	RESPONDER:	James Gall
TYPE:	Data Request	DEPT:	Energy Resources
REQUEST NO.:	ICNU – 171	TELEPHONE:	(509) 495-2189
		EMAIL:	james.gall@avistacorp.com

REQUEST:

Reference the Resource Table in the Company's Aurora Modeling. Please provide workpapers supporting the inputs for variable operations and maintenance expenses for the Company's owned hydro resources. Please also provide a brief description of how those values were developed.

RESPONSE:

Avista does not include a variable operations and maintenance amount in the AURORA model for owned hydro resources. O&M for Avista's owned hydro resources is included in the rate case at test period levels, unless otherwise adjusted through the attrition analysis or proforma adjustment.

AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	07/21/2016
CASE NO:	UE-160228 & UG-160229	WITNESS:	Clint Kalich
REQUESTER:	ICNU	RESPONDER:	James Gall
TYPE:	Data Request	DEPT:	Energy Resources
REQUEST NO.:	ICNU – 173	TELEPHONE:	(509) 495-2189
		EMAIL:	james.gall@avistacorp.com

REQUEST:

Reference the Resource Table in the Company's Aurora Modeling. Please provide workpapers supporting the inputs for bid-adder values for all hydro and renewable resources. Please also provide a brief description of how those values were developed.

RESPONSE:

Avista included negative bidding adders to each of the hydro facilities in the Western Interconnect to change the dispatch order of hydro facilities in the market place. Avista has reflected this change in past rate proceedings and IRP's in order to model negative pricing at the Mid-C. Given many renewable resources have production tax credits (PTC), renewable energy certificates (REC), and must-run purchase power agreements (PPA). Each of these economic dispatch considerations are included when known in AURORA. Power markets are incented to go negative when loads are low and must run resources are forced to run so these resources can retain their financial benefits.

The changes made to the AURORA model are to reflect market fundamentals to better match AURORA's prices with forward Mid-Columbia prices. With this change, hydro becomes the last resource to be dispatched off when loads are low and renewable output is high per typical hydro licensing and operational requirements.

There are no separate workpapers associated with the bid adder values.

AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	07/15/2016
CASE NO.:	UE-160228 & UG-160229	WITNESS:	Bill Johnson
REQUESTER:	UTC Staff - Gomez	RESPONDER:	Bill Johnson
TYPE:	Data Request	DEPT:	Power Supply
REQUEST NO.:	Staff - 146	TELEPHONE:	(509) 495-4046
		EMAIL:	bill.johnson@avistacorp.com

REQUEST:

Reference to Company witness Bill Johnson's Exhibit No. __ (WGJ-1T), Page 7, Lines 18-21 states, that: "BPA's transmission rates increased October 1, 2015 and those increases are reflected in the 2017 pro forma compared to the test-year. BPA transmission rates are expected to increase again on October 1, 2017 and those expected increases are included in the 2017 pro forma and the July 2017 through June 2018 pro forma."

Staff's informal data request of June 1, 2016, to the Company revealed that the impact on pro forma net power costs associated with Avista's estimates of BPA's transmission tariff rate changes results in $0.6 million of added pro forma net power costs.

Please:

A. Identify and list individually all pro forma adjustments to net power costs which rely on estimates of tariff rate changes for transmission, energy, ancillary services, etc. that have yet to be approved and placed into effect. Quantify the dollar impact of each adjustment Avista's estimates of future tariff rate changes to pro forma net power costs in this case.

B. If the adjustments identified in A above are used by Avista in the Aurora Model, rerun the model for each adjustment and report the difference in pro forma net power costs which result.

RESPONSE:

A.-B.
Please see Staff_DR_146 Attachment A showing the expense increase due to the expected tariff changes or due to inflation assumptions in contracts that have rate increases tied to inflation. These changes are all outside the AURORA model.

Staff Data Request No. 146 Response Attachment A

	2017 Increase	Jan -Jun 2018 Incremental Increase	Comment
Contracts with tariff changes (system expense increases due to tariff rate changes)			
BPA Transmission	$187,408	$404,157	New rates in effect Oct 2017 will be known for 2018 by Nov 1, 2017 update.
Lancaster Gas Transportation	NA	NA	New rates will be available later in 2016.
Coyote Springs 2 Gas Transportation	NA	NA	New rates will be available later in 2016.
Stimson Purpa Purchase	NA	NA	Contract ends 11-30-16. New contract will be available before Nov. 1, 2016 update.
Contracts with inflation escalation provisions (system expense increase due to inflation increases in contract rates)			
WNP-3	$187,408	$404,517	Midpoint rate increases by inflation. Actual contract rate available by Sep. 2016 Assumed 3%.
Lancaster Capacity Payment	$389,218	$289,419	Fixed O&M payment increases by inflation. Rates case assumes 3%
Lancaster Variable Energy Payment	$120,083	$100,875	Variable Energy payment increases by inflation. Rate case assumes 3%.