

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	05/28/2016
CASE NO.:	UE-160228 & UG-160229	WITNESS:	Heather L. Rosentrater
REQUESTER:	Public Counsel/Energy Project	RESPONDER:	L. Andrews / L. La Bolle
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	PC/EP – 048	TELEPHONE:	(509) 495-4710
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REQUEST:

With regard to Avista’s response to Public Counsel and The Energy Project Joint Data Request No. 23, is it Avista’s position that the Commission should authorize recovery of only the “net revenue requirement” for AMI deployment?

- a. If so, should the revenue requirement for AMI be recovered with an offset equal to the estimated benefits identified in the Company’s business case for each year in which AMI costs are proposed to be included in rates?
- b. In the response, discuss whether the Commission should rely on actual benefits that are documented to have actually occurred at the time of the rate case or based on Avista’s estimated benefits as stated in its business case in considering Avista’s request for recovery of AMI costs from ratepayers.

RESPONSE:

In requesting the recovery of its investment, Avista expects that the Commission will make a determination on the prudence of the AMI Project based on the evidence known at the time the Company made its decision to proceed, as explained in the Company’s response to PC/EP_DR_039. Avista believes its advanced metering business case demonstrates that its expected costs are reasonably supported, that the expected customer benefits are likely to occur, and that the Project will be cost effective for our customers over its 21 year life. All costs and benefits derived from the implementation of AMI will be included in the derivation of future revenue requirements for subsequent rate periods.