

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION D/B/A/ AVISTA UTILITIES

Respondent.

DOCKETS UE-220053, UG-220054, and UE-210854 (Consolidated)

**SEBASTIAN COPPOLA
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT SC-6C

Avista's Supplemental Confidential Response to Public Counsel's Data Request No. 103C, with Attachments A, Tabs: IA-1 Updated and IA-2, on insurance costs

July 29, 2022

**Shaded Information is Designated Confidential per Protective Order in Docket UE-220053,
UG-220054, and UE-210854 (Consolidated)**

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	06/06/2022
CASE NO.:	UE-220053 & UG-220054	WITNESS:	Mark Thies / E. Andrews
REQUESTER:	Public Counsel	RESPONDER:	Bob Brandkamp / Liz Andrews
TYPE:	Data Request	DEPT:	Risk Management
REQUEST NO.:	DR 103C Supplemental	TELEPHONE:	(509) 495-4924
		EMAIL:	bob.brandkamp@avistacorp.com

SUBJECT: Insurance

REQUEST:

Please:

- a) Provide the amount of actual insurance expense incurred each year for 2016 through 2021 and forecasted for 2022, 2023, and 2024 for each insurance policy at the system level and the portion allocated to Washington. Please provide this information in Excel.
- b) In Excel, with formulae intact, show how you arrived at the forecasted expense amounts at total system for each year 2022–2024 and then explain your basis and assumptions for each policy. Please provide supporting data and documentation for your basis and assumptions.
- c) Provide the same information in subpart (b) to this question based on the latest policy premium invoices received.
- d) Explain the specific reasons for the increase in premiums for each policy. Please provide copies of any communications between the Company and insurance agents and insurance carriers where the Company requested justification for the premium increases and the responses received.
- e) Identify what specific actions the Company has taken to lower insurance premiums in the most recent 24 months, including issuing requests for proposals to multiple insurance carriers.
- f) Provide the amount of premium distributions or refunds received from insurance carriers in each year from 2016 to 2021 at the system level and the amount the Company included as an offset to forecasted insurance expense for 2022, 2023 and 2024. Please provide any notices received about premium distribution or refunds to be received in 2022.
- g) Provide the amount of insurance costs charged and deferred to the Balancing account since the inception of the program, the balance of the account at 9/30/2021, 12/31/2021, 12/31/2022, 12/31/2023 and 12/31/2024, and the amount incurred and forecasted to be incurred between these periods. Please provide this information in Excel.
- h) Provide the amount of deferred insurance costs amortized to O&M expense and the portion included in rates as of 9/30/2021, RY1, and RY2 with the supporting calculations in Excel with formulae intact.
- i) Explain fully how the Insurance Expense Balancing Account would work and how a separate tariff would interact with the amounts requested for recovery in RY1 and RY2 in this general rate case.
- j) Does Andrews agree that there is a difference between cost volatility and costs that increase over time?

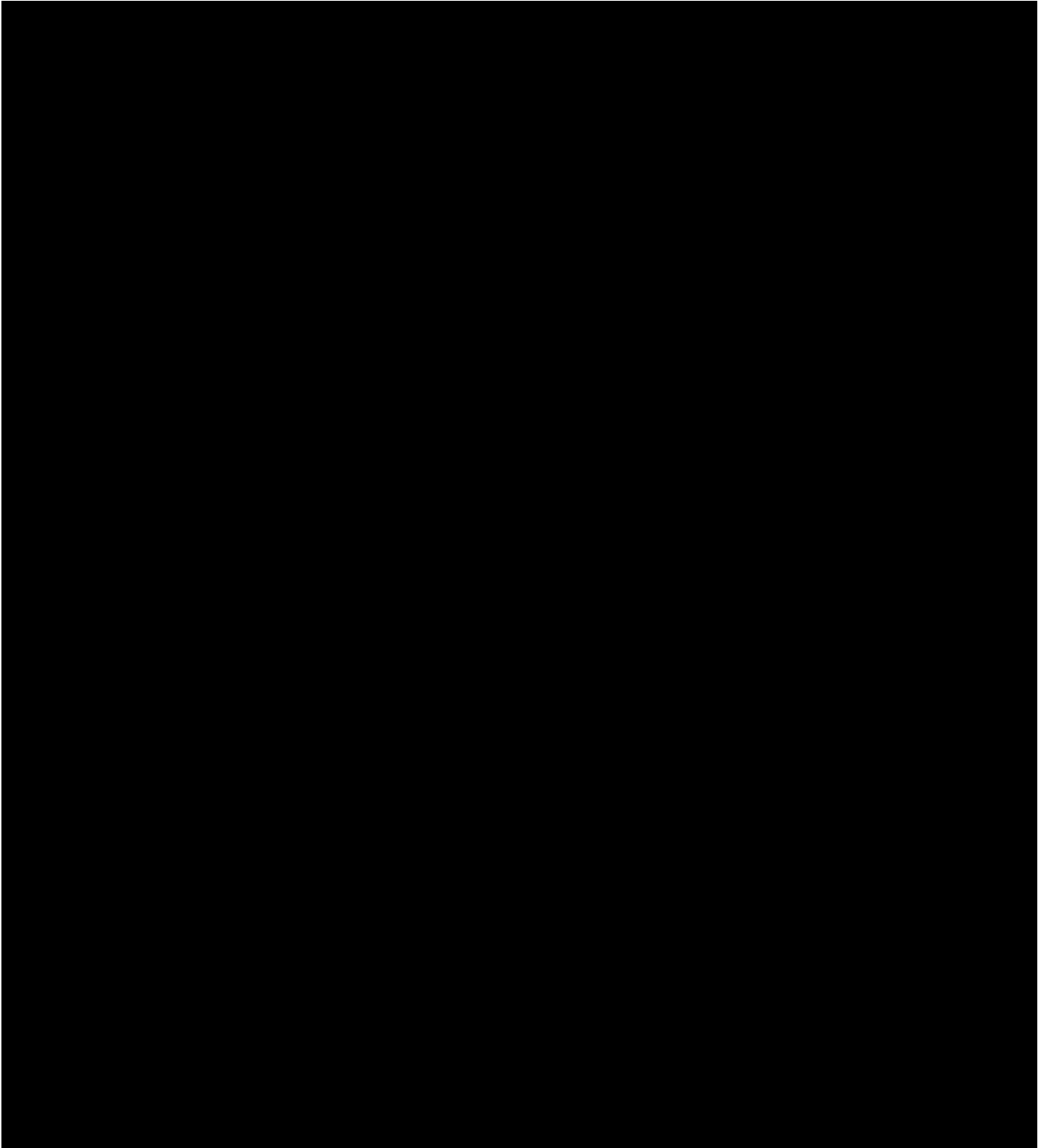
SUPPLEMENTAL RESPONSE (06/06/2022)

Please note, included in PC-DR-103 Confidential Attachment A are two tabs labeled “IA-1 Updated” and “IA-2” – these tabs contain summary information, and are not confidential.

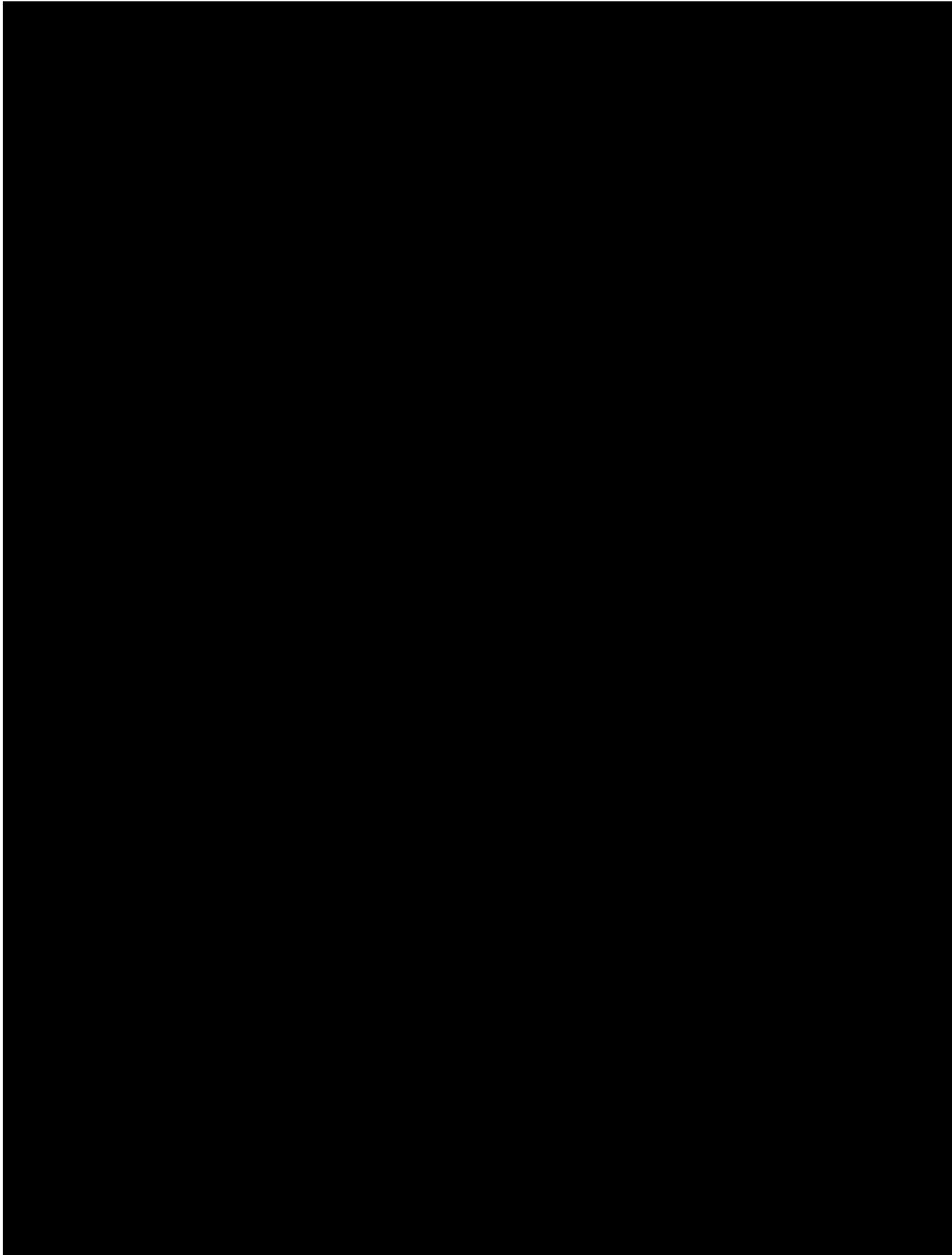
**Shaded information is Designated as Confidential per
Protective Order in Dockets UE-220053, UG-220054, and
UE-210854**

RESPONSE:

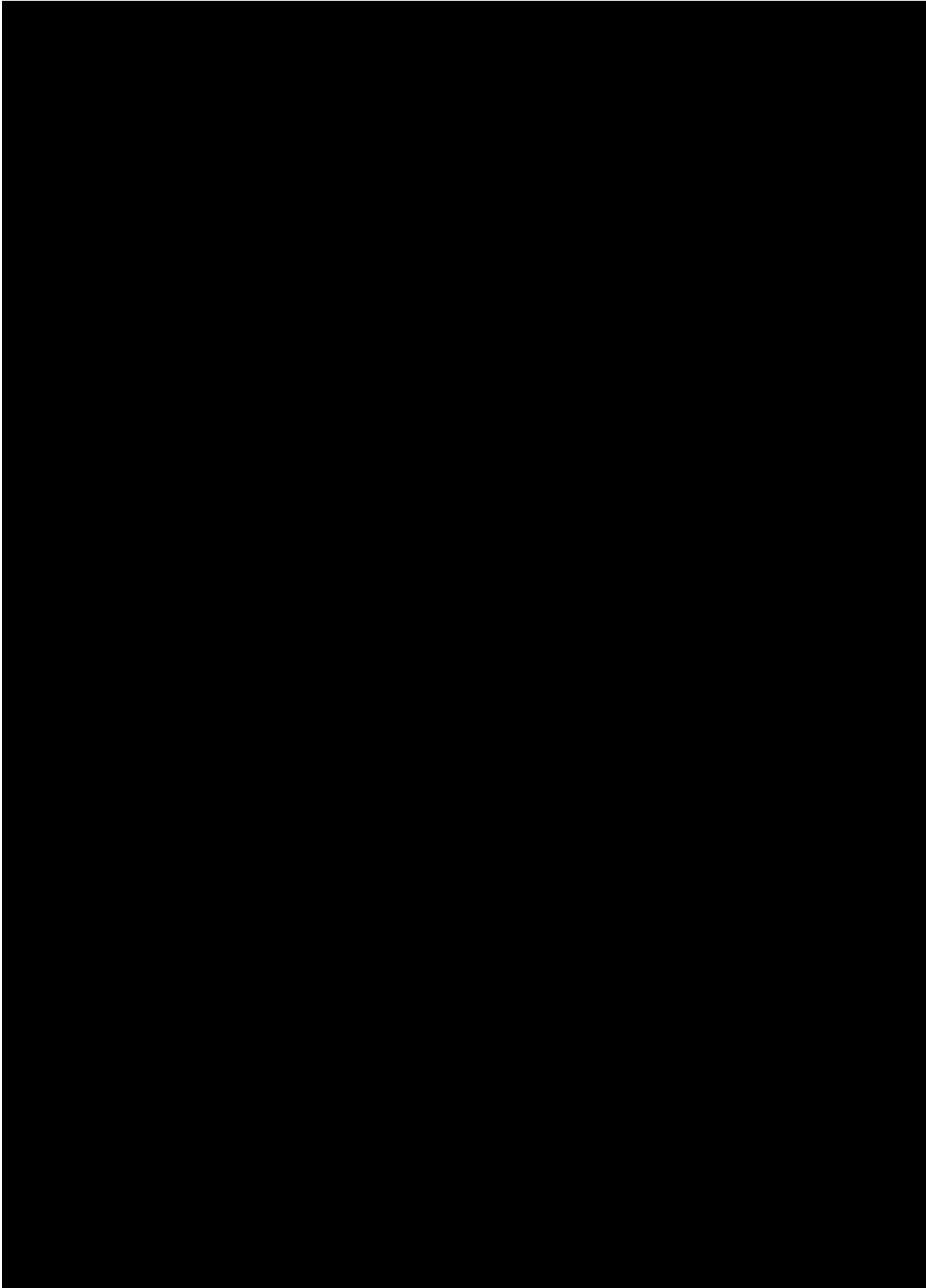
The attachment provided with PC-DR-103C is **Confidential per the Protective Order in UTC Dockets UE-220053 and UG-220054.**

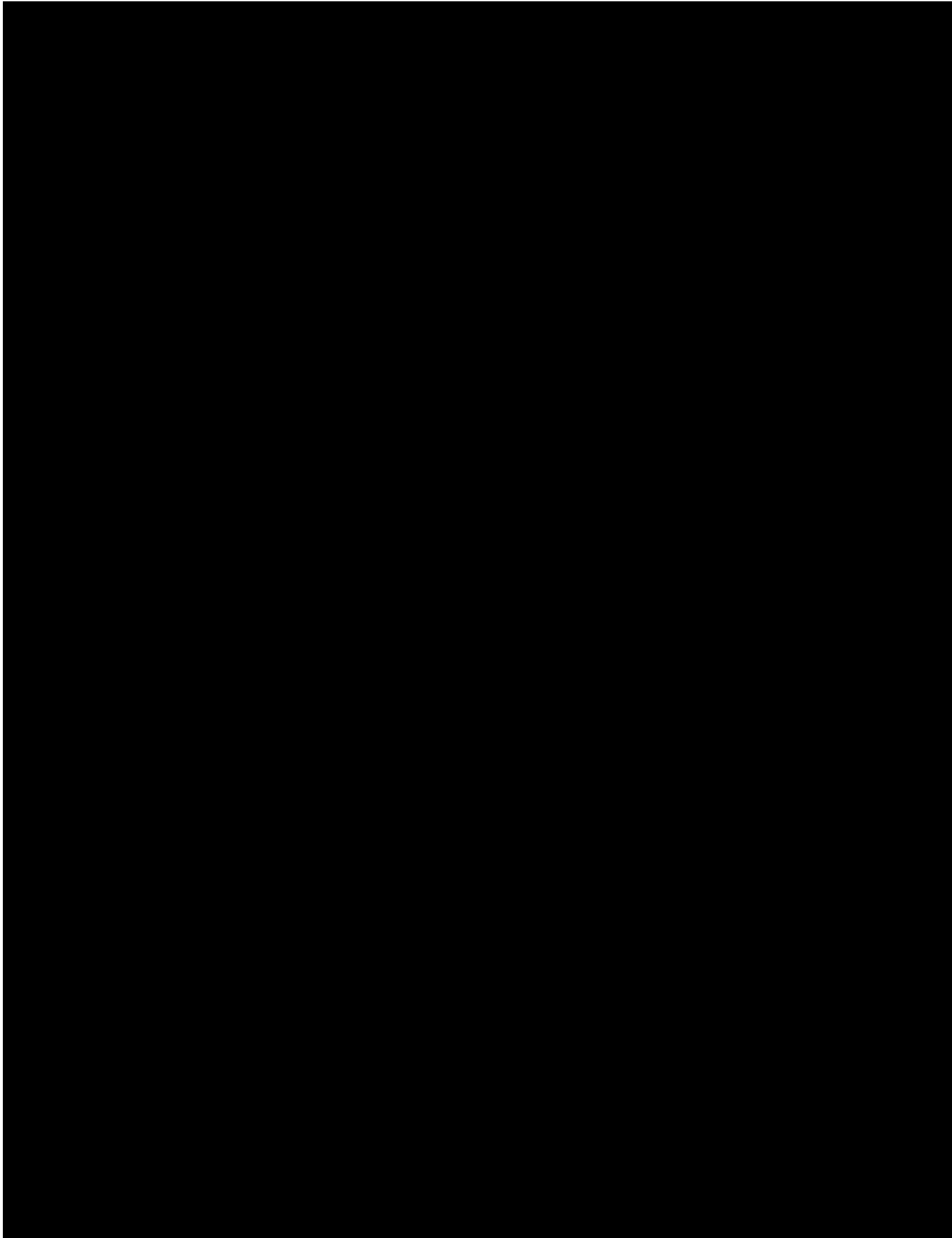


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UE-210854**



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**ATTACHMENT A TO AVISTA'S RESPONSE TO PUBLIC
COUNSEL'S DATA REQUEST NO. 103C**

Avista Utilities
Washington Jurisdiction
Proforma Insurance Adjustment

Amount Allocated to WA Wildfire \$ 1,230,184 HTP
Amount Allocated to ID Wildfire \$ 547,821
\$ 1,778,005

	2023 - Updated 04.20.2022		2024 - Updated 04.20.2022		
Adjusted Test period Expense 12 ME 12.31.2019	12 ME 09.30.2021	\$ 9,282,946		\$ 15,534,129	
2023 Projected Insurance Expense (@ 90% D & O)	12 ME 12.31.2023	\$ 15,534,129		\$ 17,324,202	
Adjustment - System		\$ 6,251,182		\$ 1,790,073	
		Adjust 12ME 09.2021 to 2023 (non-wildfire premium)	Adjust Insurance to 2023 Pro Forma	Adjust Insurance to 2023 Pro Forma	Adjust Insurance to 2024 Pro Forma
Total Adjustment		\$ 4,065,601	\$ 2,185,582	\$ 876,151	\$ 913,922
Allocated to Washington Electric					
0.69998 Note 7					
0.68266 Note 4		\$ 1,942,741	\$ 1,512,182	\$ 418,668	\$ 632,333
Allocated to Washington Gas					
0.20695 Note 7					
0.72915 Note 4		\$ 613,489	\$ 613,489	\$ 132,209	\$ 132,209
Allocated to Idaho Electric					
0.69998 Note 7					
0.31734 Note 4		\$ 903,099	\$ 673,400	\$ 194,621	\$ 281,588
Allocated to Idaho Gas					
0.20695 Note 7					
0.27085 Note 4		\$ 227,887	\$ 227,887	\$ 49,110	\$ 49,110
Allocated to Oregon					
0.09307 Note 7		\$ 378,385	\$ 378,385	\$ 81,543	\$ 81,543
check					
70% FERC 925			Electric		Electric
30% FERC 924			\$ 2,418,445.93		\$ 735,700.69
			\$ 1,036,476.83		\$ 315,300.30
			\$ 3,454,923		\$ 1,051,001
70% FERC 925			Gas		Gas
30% FERC 924			\$ 429,442.54		\$ 92,546.40
			\$ 184,046.80		\$ 39,662.74
			\$ 613,489		\$ 132,209

Amount Allocated to WA Wildfire	\$ 2,742,366	2023
Amount Allocated to ID Wildfire	\$ 1,221,221	
	\$ 3,963,586	

Incremental WA Wildfire	\$ 1,512,182	2023
Incremental ID Wildfire	\$ 673,400	

Incremental WA Wildfire	\$ 3,374,699	2024
Incremental ID Wildfire	\$ 1,502,809	

Amount Allocated to WA Wildfire	\$ 632,333	2024
Amount Allocated to ID Wildfire	\$ 281,588	

2023		2024	
WA E	885,489 Proposed Base line	WA E	9,967,151 Proposed Baseline
WA G	1,930,266 Proposed Base line	WA G	2,081,801 Proposed Baseline

RY1 2023	As Filed	Updated DR 103	Difference	RY1 2023
WA E	4,292,023	\$ 3,454,923	\$ (837,100)	WA E
WA G	503,394	\$ 613,489	\$ 110,095	WA G
RY1 2024	As Filed	Updated DR 103	Difference	RY1 2024
WA E	1,511,609	\$ 1,051,001	\$ (460,608)	WA E
WA G	101,147	\$ 132,209	\$ 31,062	WA G

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Year	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
W	198	222	222	222	222	222	222	222	222	222	222	222	222	222	222
V	198	222	222	222	222	222	222	222	222	222	222	222	222	222	222
A	198	222	222	222	222	222	222	222	222	222	222	222	222	222	222
S	198	222	222	222	222	222	222	222	222	222	222	222	222	222	222
T	198	222	222	222	222	222	222	222	222	222	222	222	222	222	222
W	198	222	222	222	222	222	222	222	222	222	222	222	222	222	222
V	198	222	222	222	222	222	222	222	222	222	222	222	222	222	222
A	198	222	222	222	222	222	222	222	222	222	222	222	222	222	222
S	198	222	222	222	222	222	222	222	222	222	222	222	222	222	222
T	198	222	222	222	222	222	222	222	222	222	222	222	222	222	222

Washing on at side of a year 2024 (including mid-1) based on total at side (one incremental W/G) is expressed at side of W/A, D and C

0.00000 Note 7
0.00000 Note 4
0.00000 Note 4
0.00000 Note 7
0.00000 Note 4

**THE ADDITIONAL PAGES OF ATTACHMENT A TO AVISTA'S
SUPPLEMENTAL RESPONSE TO PUBLIC COUNSEL'S DATA
REQUEST NO. 103C ARE REDACTED IN WHOLE PURSUENT TO
WAC 480-07-460 AND PROTECTIVE ORDER IN DOCKETS UE-
220053, UG-220054, AND UE-210854 (*CONSOLIDATED*)**