**AVISTA CORP.**

### RESPONSE TO REQUEST FOR INFORMATION

# JURISDICTION: WASHINGTON DATE PREPARED: 06/07/2016

# CASE NO.: UE-160228 & UG-160229 WITNESS: Patrick Ehrbar

# REQUESTER: Public Counsel/Energy Project RESPONDER: Patrick Ehrbar

# TYPE: Data Request DEPT: State & Federal Regulation

# REQUEST NO.: PC/EP – 047 - Revised TELEPHONE: (509) 495-8620

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**REQUEST:**

With regard to Avista’s response to Public Counsel and The Energy Project Joint Data Request No. 23, please provide a separate analysis of the impact of the proposed AMI investment on the revenue requirement for gas and electric revenues, using the allocation of AMI costs that Avista has included in this pending rate case for its requested recovery of AMI-related costs (capital and expense costs and additional depreciation expense) for electric meter AMI deployment and gas meter AMI deployment.

**RESPONSE:**

The Company has revised the attachment labeled “PC/EP\_DR\_047 Attachment A – Revised” in order to align with the revised response to PC/EP – 023 – Revised.

Please see the Company’s response to PC/EP\_DR\_040 which provides an analysis of how the costs related to the AMI investment included in the Company’s case were allocated to the Company’s service schedules. In addition, please see “PC/EP\_DR\_047 Attachment A – Revised”. Note that the Company used the electric and natural gas analysis included in response to PC/EP\_DR\_040 to allocate the AMI total revenue requirement for each of the 21 years in the analysis in order to respond to this data request. In order to perform the analysis, it was necessary to employ simplifying assumptions, as described in PC/EP\_DR\_049.

Importantly, this forecast of the net revenue requirement includes all of the project costs, but does not include, as offsets to these costs, all of the benefits our customers will receive from the project. Those benefits that will accrue directly to our customers, including the financial value associated with reduced outage duration, after-hours fees for service reconnects, the proper assignment of unbilled revenues, the unbilled usage associated with curtailed energy theft and slow/stopped meters, and energy conservation savings captured by customers who better understand and manage their energy use, are not included here as offsets to the project costs. Accordingly, this forecast of the net revenue requirement does not reflect the full net benefits of the project. The financial impact on the net revenue requirement of all quantified customer benefits, is shown in PC/EP\_DR\_046 Attachment A, in column E under the tab labeled “Net Revenue Requirement.”

Please also see the Company’s response to PC/EP\_DR\_049 - Revised.