DAVID J. MEYER
VICE PRESIDENT AND CHIEF COUNSEL FOR
REGULATORY & GOVERNMENTAL AFFAIRS
AVISTA CORPORATION
P.O. BOX 3727
1411 EAST MISSION AVENUE
SPOKANE, WASHINGTON 99220-3727
TELEPHONE: (509) 495-4316
FACSIMILE: (509) 495-8851
DAVID.MEYER@AVISTACORP.COM

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF AVISTA CORPORATION FOR THE AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR ELECTRIC SERVICE TO ELECTRIC CUSTOMERS IN THE STATE OF IDAHO	CASE NO. AVU-E-16-03 DIRECT TESTIMONY OF HEATHER L. ROSENTRATER

FOR AVISTA CORPORATION

(ELECTRIC)

I. INTRODUCTION

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

A. My name is Heather Rosentrater and I am employed as the Vice President of Energy Delivery for Avista Utilities, at 1411 East Mission Avenue, Spokane, Washington.

Q. Would you briefly describe your educational background and professional experience?

A. Yes. I received a Bachelor of Science degree in electrical engineering from Gonzaga University, and hold a Professional Engineer (PE) credential. I joined Avista in 1996, and worked initially as an electrical engineer at Avista's former subsidiary Avista Labs, where I developed electrical systems for fuel cells. I joined Avista Utilities in 2003, and have broad experience on both the electric and natural gas side of the business, having managed departments and projects in transmission, distribution, SCADA, asset management and supply chain, as well as business process improvement using LEAN and Six Sigma techniques. I was named to my current position in December 2015. In this role, I am responsible for electric and natural gas engineering, operations, and shared services – fleet, facilities, and business process improvement.

I currently serve on the board of directors for the Vanessa Behan Crisis Nursery and the West Valley Education Foundation in Spokane. In addition, I am a member of the Washington State University School of Engineering and Computer Science Executive Council.

Q. What is the scope of your testimony?

A. I will provide an overview of the Company's electric energy delivery facilities, our distribution capital investment as well as our Asset Management programs. Finally, I will summarize Avista's customer support programs in Idaho.

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

Q. Are you sponsoring any exhibits in this proceeding?

A. Yes. I am sponsoring Exhibit No. 7, Schedules 1-4. Schedule 1 shows the number of customers and customer energy usage for each customer class. Schedule 2 is the Company's Electric Transmission System 2016 Asset Management Plan, Schedule 3 is the Company's Electric Substations 2016 System Review performed by Asset Management and finally Schedule 4 is

the Company's Electric Distribution System 2016 Asset Management Plan.

II. OVERVIEW OF AVISTA'S ENERGY DELIVERY SERVICE

Q. Please describe Avista Utilities' electric utility operations.

A. Avista Utilities operates a vertically-integrated electric system in Idaho and Washington. In addition to the hydroelectric and thermal generating resources described by Company witness Mr. Kinney, Avista has an electric transmission system of 685 miles of 230 kV lines and 1,534 miles of 115 kV lines. The Company has approximately 18,300 miles of primary and secondary electric distribution lines.

A map showing the Company's electric and natural gas service area in Idaho, Washington, and Oregon is provided by Company witness Mr. Morris in Exhibit No. 1, Schedule 2.

As detailed in the Company's 2015 Electric Integrated Resource Plan[1], Avista expects retail electric sales growth to average 0.6% annually for the next ten years in Avista's service territory, primarily due to increased population and business growth.

[1] A copy of the Company's 2015 Electric IRP has been provided by Mr. Kinney as Exhibit No. 4, Schedule 1.

Q. How many customers are served by Avista Utilities in Idaho?

A. Of the Company's 374,962 electric customers (as of December 31, 2015), 128,499 were Idaho customers.

Q. Please describe the Company's operation centers that support electric customers in Idaho.

A. The Company has construction offices in Coeur d'Alene, Spokane, Colville, Othello, Pullman, Clarkston, Deer Park, and Davenport. Avista's three customer contact centers, located in Spokane, Washington, Coeur d'Alene and Lewiston, Idaho, are networked, allowing the full pool of regular and part-time employees to respond to customer calls in all jurisdictions.

III. DISTRIBUTION CAPITAL INVESTMENT & ASSET MANAGEMENT

Q. Would you please describe the factors driving Avista's investment in electric distribution capital assets?

A. Avista's investment in electric distribution capital assets is primarily driven by a combination of the following factors: (1) new customer connections and changing customer usage, (2) maintaining system reliability and safety, (3) realizing operational and electrical efficiencies, and (4)

minimizing life cycle costs of assets (e.g., Asset Management programs).

Q. What distribution plant investment is driven by the new customer connections and changing customer usage category?

A. Distribution plant capital investment related to new customer connections and changing customer usage consists of the distribution plant assets required to serve new customers and includes the costs to construct new overhead and underground lines, as well as the costs for devices, such as transformers, meters, and network transformers and protectors. Additionally, as individual new customer connections aggregate over time, additional investment may be required for either new or upgraded feeders, transformers, substations, or other distribution assets. Finally, changing customer loads in a given area may require new or upgraded distribution plant equipment in order to continue to serve customers reliably. Given Avista's obligation to provide safe and reliable service to customers, responsible capital investment in response to customer connections and customer usage is imperative.

Q. Turning now to Asset Management, and its role in maintaining system reliability and safety, realizing operational and electrical efficiencies, and minimizing life

cycle costs of assets, would you please describe the history of Avista's Asset Management function?

A. Yes. Avista's asset management approach began in 2003 with a report analyzing electric asset optimization. In 2005, the Asset Management group was formally established, focusing on Electric Distribution, Substations, and Transmission assets. In 2008, a number of organizations, led by the Institute of Asset Management, published PAS 55:2008[2], which provided a top down description of the goals and objectives of Asset Management programs. This specification was formalized in 2014 as an international standard, ISO 55000, by the International Organization for Standardization. Avista's Asset Management function is informed by this standard.

As discussed by the Institute of Asset Management,[3] ISO 55000 defines Asset Management as the "coordinated activity of an organization to realize value from assets." "Asset Management involves the balancing of costs, opportunities, and risks against the desired performance of assets, to achieve the organizational objectives." Summarized briefly, "Asset Management is the art and science of making the right decisions

[2] PAS is an acronym for Publicly Available Specification.
[3] "What is Asset Management," https://theiam.org/What-is-Asset-Management (accessed February 3, 2016).

and optimizing the delivery of value. A common objective is to minimize the whole life cost of assets."

Q. What is the mission of Avista's Asset Management function?

A. The Asset Management group works to maximize the value of Avista's physical assets by applying a systematic evaluation and modeling approach which determines the optimum mix of cost and value. Asset Management strives to prioritize and plan work that results in maximizing the lifecycle values associated with maintenance and replacement of our assets by integrating information about repairing, maintaining, inspecting, monitoring, and replacing physical assets into a comprehensive analysis. This analysis encompasses strategic and tactical consideration of materials, labor, equipment, risk, safety, supply chain, training, system capacity and growth, energy efficiency, regulations, and other stakeholder issues.

Q. Would you briefly describe the Company's Asset Management approach to optimizing and managing the lifecycle costs of various assets in its system?

A. Yes. The Company regularly reviews and assesses all elements of its Asset Management effort through program plans that document the management of its facilities, along with

metrics of results and impacts associated with that investment. Through the active management of each individual asset type, and overall review of the entire Asset Management program, the Company is able to better-optimize its system investments. The Company looks at many factors when determining how it should manage a type of asset and the associated costs, such as safety, reliability, avoided costs, operational ability, capital offsets, code requirements, clearances, street relocations, and others. All planning and assessment is done for the benefit of our customers, and with the safety of our employees in mind.

Additionally, the Asset Management group evaluates assets for which Asset Management programs do not currently exist, to determine whether the implementation of a new asset management plan is necessary. This evaluation periodically results in new asset management programs. In other instances, the evaluation may determine that the economic benefit of a program would be insufficient, and no further action is taken at that time.

Q. Would you provide examples of the Company's electric distribution Asset Management programs?

A. Yes. The "Wood Pole Management" asset management program is one of Avista's most mature Asset Management programs. Wood poles and their accompanying fixtures are the backbone of Avista's electric distribution system (Avista's net

distribution plant assets related to distribution poles, towers, and fixtures represent nearly 25% of the Company's net distribution plant assets), which made distribution wood poles prime candidates for an asset management program. The average age of a wood pole in Avista's electric distribution system is 28 years old. Additionally, nearly 20 percent of Avista's wood poles are over 50 years old. Given the age profile of Avista's distribution poles, the Asset Management department determined that the inspection and maintenance of distribution wood poles on a 20 year cycle was the optimal asset management plan. That is to say, over a 20 year period, under this plan, each distribution wood pole in Avista's system will be inspected one time (along with the inspection of crossarms, distribution transformers, wildlife guards, and other components on the pole). Any poles or components that are identified for follow up through inspection are subsequently repaired or replaced. The implementation of this plan has enabled to Company to better maintain the distribution system by proactively performing maintenance and has resulted in the reduction of the number of outages due to wood pole-related issues.

In addition to the distribution wood pole program, the Company currently has active distribution plant asset management programs in the following areas, grid modernization,

transformer change-out, segment reconductor and feeder tie switch installation, improving worst feeders, street light management, and underground residential district (URD) cable replacement. All of these proactive maintenance programs are driven by one or more factors, such as age of assets or feeder overloading, among other reasons. The most recently completed Electric Distribution System 2016 Asset Management Plan report has been included as Exhibit No. 7, Schedule 4. Certain of Avista's substation capital maintenance activities are driven by asset management programs as well and the 2016 Substation System Review has been included as Exhibit No. 7, Schedule 3. The Electric Transmission System 2016 Asset Management Plan has been included as Exhibit No. 7, Schedule 2.

Q. Finally, please discuss the distribution plant investment and related drivers for the remaining investment not driven by new customers or changing customer usage or by Asset Management strategies.

A. These remaining investments generally address responding to distribution system issues that do not lend themselves to Asset Management-type maintenance. Examples of investments that fall under this group include storm damage repair, non-discretionary rebuild of structures due to an unplanned trouble or emergency event (e.g., replacing burned or

damaged poles and equipment), overhead to underground line conversions or other service changes, and replacement or relocation of facilities due to franchise agreements, among other activities. The capital investment associated with these activities is the direct result of an external influence which must be addressed in order to maintain system reliability and safety.

Additionally, other electric distribution plant investment in this group is related to maintaining compliance with regulatory requirements or mandates, or to keep the Company's system up to code. For example, the standards and regulations associated with the distribution of electric power have evolved over time. Updating the Company's feeders to meet the current requirements is a comprehensive activity that requires substantial investment. While some of this investment is managed through Asset Management programs, compliance requirements must also be considered as end-of-life or damaged plant assets are replaced.

Q. Is the distribution plant investment presented in this case necessary in order to provide safe, reliable service to customers?

A. Yes. The factors driving Avista's electric distribution investment included in this case represent a

prudent balance of maintaining the efficacy of the electric distribution system to enable the Company to continue to provide safe, reliable service to our customers, maintain a high level of customer service, and meet the current and future needs and expectations of our customers and other stakeholders, while at the same time being sensitive to the rate impacts to customers resulting from the investments. As Company witness Mr. Thies states in his testimony:

> Although we could choose to put off for tomorrow what does not absolutely need to be done today, it would be imprudent to allow the system to deteriorate and begin to jeopardize reliability, as well as potentially create a "bow-wave" of investment that needs to be made in a relatively short period of time.[4]

Avista's approach to managing its electric distribution plant investment is no different from that of any other functional group, in that the focus is on the ability to continue to provide safe, reliable service to our customers.

Q. Would you please provide a brief description of the electric distribution-related capital projects that are included in the Company's Pro Forma Study from January 1, 2016 through December 31, 2017?

A. Yes. As shown in Table No. 1 below, the electric distribution capital projects that include investment in Idaho

[4] Thies, Di, page 15, lines 2-7.

total $48.0 million for 2016 and $59.5 million for 2017, on a system basis. Details about these electric distribution-related capital projects are discussed below. Please note that, while I have briefly discussed Avista's electric transmission operations, Company Witness Bryan Cox discusses the Company's electric transmission operations in greater detail, including capital investments related to electric transmission operations.

Table No. 1: Distribution-Related Capital Projects (System $)

Business Case Name	2016 $ (000's)	2017 $ (000's)
Meter Minor Blanket	$ 403	$ 403
Elec Replacement/Relocation	2,750	2,600
Distribution Minor Rebuild	8,609	8,867
Storms (Distribution)	2,090	2,183
Primary URD Cable Replacement	200	500
Street Light Management	1,500	2,720
Substation - Asset Mgmt. Capital Maintenance	18	52
Worst Feeders	1,500	2,499
Distribution Transformer Change-Out Program	8,406	8,115
Distribution Wood Pole Management	7,840	12,000
Substation - New Distribution Stations	400	275
Distribution Grid Modernization	6,359	13,118
Segment Reconductor and FDR Tie Program	3,801	4,175
Distribution Line Protection	125	125
Environmental Compliance	350	350
	$ 44,351	**$ 57,982**

Meter Minor Blanket – 2016: $403,000; 2017: $403,000 [System] This project covers the replacement of failed, damaged, or otherwise improperly functioning electric meters at service locations where a meter has previously been installed. Meters are replaced in order to ensure accurate billing for electricity usage.

Electric Replacement/Relocation – 2016: $2,750,000; 2017: $2,600,000 [System]
This annual program replaces sections of existing infrastructure that require replacement due to relocation or improvement of streets or highways. Requirements may come from our franchise agreements or permits. 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.

Distribution Minor Rebuild – 2016: $8,609,000; 2017: $8,867,000 [System]
This program is for distribution minor rebuilds 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).

Storms – 2016: $2,090,000; 2017: $2,183,000 [System]
Weather events associated with wind, lightning, rain, and snow create a number of outage situations. Estimated capital spend is based on historical averages.

Primary URD Cable Replacement – 2016: $200,000; 2017: $500,000 [System]
This program 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.

Street Light Management – 2016: $1,500,000; 2017: $2,720,000 [System]
This program is a five year planned replacement of street light fixtures to LED, which includes replacement of photocells too. Currently, existing street lights are only being replaced with LED when they fail. Efficiencies result from converting 100 and 200 Watt street lights from High Pressure Sodium to LED. The savings come from eliminating the labor, equipment, material, and overhead costs associated with repairing older lights.

Substation Asset Management Capital Maintenance – 2016: $18,000; 2017: $52,000 [System]
Avista has several different equipment replacement programs to improve reliability by replacing aged equipment that is beyond its useful life. These programs include transmission air switch upgrades, restoration of substation rock and fencing, recloser replacements, replacement of obsolete circuit switchers, substation battery replacement, meter replacements and upgrades, relay replacements, high voltage fuse upgrades, transformer replacements, breaker replacements, installation of diagnostic monitors, substation air switch replacements, and voltage regulator replacements. These projects improve system reliability and customer service. The equipment is generally replaced when its useful life has been reached or exceeded. The System-Install Autotransformer Diagnostic Monitor program is one of the projects included in Substation Asset Management Capital Maintenance.

Worst Feeders – 2016: $1,500,000; 2017: $2,499,000 [System]
In 2009, Avista initiated a program to target the reinforcement of the most underperforming electric circuits. This program is coordinated with regional engineers and focuses treatment on those feeders (FDRs) whose sustained outage statistics (SAIFI) and customer experiencing multiple interruptions (CEMI) are at the top of the 'worst performing FDR list'. Most of these circuits are located in rural areas and many involve significant exposure to tree related outages (national forests). In 2016 in Idaho, the circuits served from Sandpoint, Jaype, Weippe, and Cottonwood substations will be targeted for reliability projects. Project scope generally involves the addition of protection devices, circuit hardening, facility conversion from overhead to underground, and circuit rerouting.

Distribution Transformer Change Out Program - 2016: $8,406,000; 2016: $8,115,000 [System]
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 program are those that are most likely to have PCB containing oil and their replacement will reduce the risk of oil spills containing PCBs.

Distribution Wood Pole Management – 2016: $7,840,000; 2017: $12,000,000 [System]

The distribution wood pole management program evaluates wood pole strength of a certain percentage of the wood pole population each year such that the entire system is inspected every 20 years. Avista has over 240,000 distribution wood poles and 33,000 transmission wood poles in its electric system. Depending on the test results for a given pole, the pole is either considered satisfactory, needing to be reinforced with a steel stub, or needing to be replaced. In addition to pole condition and strength, inspection crews inspect crossarms, insulators, transformers, guy wires, ground and bonding wires, and primary and secondary conductors. This project also funds the work required to resolve those issues (i.e., potentially leaking transformers, transformers containing more than or equal to 1 ppm polychlorinated biphenyls (PCBs), failed arresters, missing grounds, damaged cutouts, failed insulators and other visible issues). Transformers older than 1981 have the potential to have oil that contains PCBs. These older transformers present increased risk because of the potential to leak oil that contains PCBs. Poles installed during the pre-World War II buildup have reached the end of their useful life. Avista's Wood Pole Management program was put into place to prevent the Pole-Rotten events and Crossarm – Rotten events from increasing. The Company estimates the cost of an event associated with a bad wood pole based on crew response and labor is approximately $600. For 2017 we anticipate a reduction of 107 events.

Substation – New Distribution Stations – 2016: $400,000; 2017: $275,000; [System]

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), and Lewiston Mill Road.

Distribution Grid Modernization – 2016: $6,359,000; 2017: $13,118,000 [System]

In 2012, Avista began a program to upgrade distribution feeders to reduce energy losses, increase efficiency, improve safety and operations, and to increase long-term reliability. The program includes the replacement of undersized and

deteriorating conductors, replacement of failed and end-of-life infrastructure materials including wood poles, cross arms, fuses and insulators. Inaccessible pole alignment, right-of-away issues, and undergrounding and clear zone compliance issues are addressed for each feeder section as well as regular maintenance work such as leaning poles, guy anchors, unauthorized attachments and joint-use management. Also being installed is distribution automation with elements of Avista's Smart Grid on select feeders where appropriate. Electric circuits are selected based on a selection criteria including: 1) reliability, 2) avoided costs, and 3) capital offset of future O&M. Once selected, circuits are analyzed by engineering staff to determine the scope of work including structure replacement, line reroutes, conversion from overhead to underground, automation scheme, transformer & equipment replacement, and reconductor segments. This program along with other asset maintenance programs uses the Distribution Feeder Management Plan to define the scope for the designers and construction personnel.

Segment Reconductor and Feeder Tie program – 2016: $3,801,000; 2017: $4,175,000 [System]

This program improves the capacity and reliability of the Company's distribution grid through targeted reconductoring/rebuild and feeder tie projects. In Idaho there are thirty (24) segment reconductor projects scheduled between 2016 and 2017 (2016 – 13 projects). These projects are identified, prioritized, and coordinated through the combined effort of Avista's central system planning function together with the assistance of regional operating engineer analysis and study. This is an on-going effort to identify and mitigate the capacity constrained portions of Avista's 18,000 mile distribution grid. In addition to circuit capacity projects, Avista constructs several new feeder tie points annually in order to effect seasonal and or permanent load shifts from either heavily loaded circuits or to relieve substation transformer loading.

Distribution Line Protection – 2016: $125,000; 2017; $125,000; [System]

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.

Environmental Compliance – 2016: $350,000; 2017: $350,000; [System]
This item includes 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.

IV. CUSTOMER SUPPORT PROGRAMS

Q. What customer support programs does Avista provide for its customers in Idaho?

A. Avista Utilities offers a number of programs for its Idaho customers, such as energy efficiency programs, Project Share for emergency assistance to customers, a Customer Assistance Referral and Evaluation Service (CARES) program, senior programs, level pay plans, and payment arrangements. Through these programs, the Company works to build lasting ways to ease the burden of energy costs for customers that have the greatest need.

To assist our customers in their ability to pay, the Company focuses on actions and programs in four primary areas: 1) advocacy for, and support of, energy assistance programs providing direct financial assistance; 2) low income and senior outreach programs; 3) energy efficiency and energy conservation

education; and 4) support of community programs that increase customers' ability to pay basic costs of living.

Q. Please describe the recent results of Project Share.

A. Project Share is a community-funded program Avista sponsors to provide one-time emergency support to families where Avista provides service. Avista customers and shareholders help support the fund with voluntary contributions that are distributed through local community action agencies to customers in need. Grants are available to those in need without regard to their heating source. In 2015, Avista Utilities' customers donated $458,406 on a system-wide basis, of which $143,664 was distributed by Idaho Community Action Agencies.

Q. What other bill-assistance programs does the Company offer?

A. In an effort to assist and educate customers about payment options such as Comfort Level Billing, flexible payment plans, and preferred due dates, we developed a campaign (Customer Bill Assistance Campaign) encouraging customers to learn about and enroll in the various bill assistance options available to them. This Campaign was launched in December 2013 in all of the Company's service areas. It briefly explains the

payment options above and encourages the customer to contact Avista to enroll or find out more.

In addition, the Company's Contact Center Representatives work with customers to set up payment arrangements to pay energy bills, and choose a preferred due date. For the twelve month period ending December 31, 2015, 19,562 Idaho customers were provided with over 31,212 such payment arrangements.

Q. Please summarize Avista's CARES program.

A. In Idaho, Avista is currently working with over 794 special needs customers in the CARES program. Specially-trained representatives provide referrals to area agencies and churches for customers with special needs for help with housing, utilities, medical assistance, etc. One of the benefits we have in utilizing CARES representatives is the ability to evaluate each customer, based on their specific need, and to educate them on what assistance is available within the community. A goal of the program is to enable customers to manage not only their Avista bill, but other bills and needs as well.

Q. Does the Company perform any other outreach to its customers?

A. Yes. The following are examples of outreach programs that are available to customers:

1. **Senior and Low-Income Outreach:** Avista has developed specific strategic outreach efforts to reach our more vulnerable fixed and low-income customers (with special emphasis on seniors and disabled customers) with bill paying assistance and energy efficiency information that emphasizes comfort and safety. Avista accomplishes this outreach mainly through Energy Workshops. During the 2014/2015 heating season 18 workshops were conducted reaching nearly 621 seniors and low-income individuals. All workshop participants were given Home Energy Efficiency kits along with tips for low-cost/no-cost ways to manage energy use. Each kit contains energy-saving items such as LED light bulbs, plastic window covering, draft stoppers for exterior light switches and outlets, v-seal for drafty doors and a polar fleece lap blanket. The Company also conducts general outreach in partnership with organizations that are in contact with vulnerable individuals through resource fairs or in-home services. For example, home energy kits have been provided for distribution through senior meal delivery programs. Through all of these venues, individuals are provided with information to effectively manage their home energy use and the Company's bill assistance programs.

2. **Senior Publications:** Avista has created a one-page advertisement that has been placed in senior resource directories and targeted senior publications to reach seniors with information about energy efficiency, Comfort Level Billing, Avista CARES and energy assistance.

3. **Energy Fairs:** In 2015, Avista hosted two energy fairs, in which nearly 550 individuals were reached. These outreach events provided information and demonstrations on energy assistance, energy efficiency and home weatherization to limited income families and senior citizens as well as provided an environment for customers to learn about billing options and energy assistance, while offering them tips and tools to use to help manage their limited financial resources.

4. **Mobile Outreach Van:** Avista offers many opportunities throughout the year for customers to attend energy fairs or workshops to learn more about energy assistance, energy efficiency and the resources available to them.

But some of our more vulnerable customers have a hard time getting to an event to access these resources. So to ensure that we're reaching as many customers who need our help as we can, Avista created the Energy Resource Team van. The van is fully loaded with energy efficiency items such as rope caulk, V-seals and coil cleaners, as well as informational materials about bill options, assistance and efficiency. A laptop resides with the van, so employees can demonstrate our many online tools in action. In 2015, (see Illustration No. 1 below) the van expanded outreach efforts to 6,596 individuals through 69 events throughout Avista's Idaho and Washington service territory, many of which were in conjunction with Second Harvest Food Bank mobile food pantry.

Illustration No. 1 – Customers being assisted through the Mobile Outreach Van

Q. Please describe how the Company measures customer satisfaction, and how important it is to Avista.

A. Our customer satisfaction is very important to Avista. We measure satisfaction by conducting a quarterly

survey we refer to as "Voice of the Customer" (VOC). The purpose of the VOC Survey is to measure and track customer satisfaction for Avista Utilities' "contact" customers – i.e., customers who have contact with Avista through the Call Center and/or work performed through an Avista construction office.

Customers are asked to rate the importance of several key service attributes. They are then asked to rate Avista's performance with respect to the same attributes (time for connection to a representative, representative being courteous and friendly, representative being knowledgeable, being informed of job status, leaving property in condition found, etc.). Customers are also asked to rate their satisfaction with the overall service received from Avista Utilities. Customer verbatim comments are also captured and recorded.

Our most recent 2016 results show an overall customer satisfaction rating of 93% in our Idaho, Washington, and Oregon operating divisions. This rating reflects a positive experience for customers who have contacted Avista related to the customer service they received.

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

A. Yes it does.