

Exhibit No. JH-1T
Dockets UE-160228/UG-160229
Witness: Joanna Huang

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION d/b/a
AVISTA UTILITIES,

Respondent.

DOCKETS UE-160228 and
UG-160229 (*Consolidated*)

TESTIMONY OF

JOANNA HUANG

STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

*Results of Operations and Revenue Requirements,
Pro Forma Policy, Pro Forma Rate Base Adjustments,
Restating and Pro Forma Property Tax
Pro Forma O & M Offsets*

August 17, 2016

Revised 8/24/16 (clean)

1 **III. RESULTS OF OPERATIONS AND REVENUE REQUIREMENTS**

2

3 **A. Staff's Presentations on Revenue Requirements**

4

5 **Q. What is Staff's calculation based upon for Avista's revenue requirement for**
6 **electric operation in the state of Washington?**

7 A. Staff's analysis, based on a modified historical test period with limited pro forma
8 adjustments plus an attrition adjustment, shows an increase of \$25,570,000 to
9 Avista's electric revenue requirement, or an increase of 5.1 percent as shown in
10 Exhibit No. JH-2, page 2, line 7. Staff's revenue requirement calculation is based on
11 Staff witness Mr. Parcell's recommended 7.30 percent overall rate of return.

12

13 **Q. What is Staff's calculation based upon for Avista's revenue requirement for**
14 **natural gas operation in the state of Washington for 2017?**

15 A. Staff's analysis, based on a modified historical test period with limited pro forma
16 adjustments plus an attrition adjustment, shows an increase of \$2,143,000 to Avista's
17 revenue requirement, or an increase of 2.4 percent as shown in Exhibit No. JH-3,
18 page 2, line 7. Staff's revenue requirement calculation is based on Staff witness
19 David Parcell's recommended 7.30 percent overall rate of return.

20

21 **Q. Does Staff recommend that the Commission set rates on the basis of the revenue**
22 **requirement deficiency after the attrition adjustment?**