

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 (redline)

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 ~~\$700,000~~ \$2,143,000
17 to Avista's revenue requirement, or an increase of ~~0.8~~ 2.4 percent as shown in
18 Exhibit No. JH-3, page 2, line 7. Staff's revenue requirement calculation is based on
19 Staff witness 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?**