

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION d/b/a AVISTA  
UTILITIES,

Respondent.

DOCKETS UE-170485 and UG-170486

COMMISSION STAFF MOTION FOR  
LEAVE TO SUBMIT REVISED  
RESPONSE TESTIMONY AND  
EXHIBIT OF CHRISTOPHER S.  
HANCOCK

**I. INTRODUCTION**

1 Staff of the Washington Utilities and Transportation Commission respectfully requests leave to revise Staff witness Christopher S. Hancock’s response testimony, Exh. CSH-1T, and a related spreadsheet, Exh. CSH-2. Mr. Hancock recently discovered an error in these exhibits that materially impacts Staff’s revenue requirement proposals for the second and third years of Staff’s three-year rate plan.

2 To summarize: Mr. Hancock erroneously included Avista’s test-year power supply expense, which is separately accounted for in Avista’s Energy Recovery Mechanism (“ERM”), in his “escalation base.” As a result of this error, Mr. Hancock overstated Staff’s proposed revenue requirement increases for years two and three of Staff’s rate plan. Correcting the error reduces Staff’s proposed revenue requirement increases from \$11.45 million to \$9.52 million in Year Two, and from \$11.716 million to \$9.74 million in Year Three.

**II. LEGAL STANDARD**

3 Under WAC 480-07-460(1)(a)(i), parties must seek leave from the presiding officer

to make substantive revisions to prefiled testimony or exhibits. The moving party must submit the proposed changes with the motion. The motion must be filed “as soon as practicable” after discovering the error. WAC 480-07-460(1)(b).

### **III. RELIEF REQUESTED**

4 Staff seeks leave to revise Staff witness Christopher S. Hancock’s response testimony, Exh. CSH-1T, and a spreadsheet, Exh. CSH-2. The proposed revisions are shown in Exh. CSH-1Tr (revised testimony) and Exh. CSH-2r (revised spreadsheet).

5 Please note: Exhibit CSH-2r is a single spreadsheet within an Excel workbook that contains all of Mr. Hancock’s supporting exhibits. Only CSH-2 has been revised. The other supporting exhibits (Exhs. CSH-3 through CSH-6) have not been altered.

### **IV. ARGUMENT**

#### **A. Staff Seeks Leave to Correct a Material Error**

6 Staff filed its response testimony on Friday, October 27, 2017. One week later, on Friday, November 3, an Avista witness alerted Mr. Hancock to a possible discrepancy. Mr. Hancock investigated the matter and discovered a material error.

7 The error relates to Avista’s test-year power supply expense. Mr. Hancock intended to exclude this expense, which is separately accounted for in the ERM, when constructing the “escalation base” in Staff’s three-year rate plan. As it turns out, he mistakenly included the expense. This error caused him to overstate Staff’s second- and third-year revenue requirement proposals.

8 To remedy this error, Staff will file two revised exhibits: Exh. CSH-1Tr (revised testimony) and Exh. CSH-2r (spreadsheet detailing Staff’s revised electric escalation model). These revised exhibits show a new “escalation base” that excludes Avista’s test-year

power supply expense. The resulting second- and third-year revenue requirement proposals are shown below:

	<b>Original</b>	<b>Revised</b>	<b>Difference</b>
<b>Year Two</b>	\$11.45	\$9.52	\$1.93
<b>Year Three</b>	\$11.72	\$9.74	\$1.98

**B. Granting Leave to Revise Exh. CSH-1T and Exh. CSH-2 will not Unduly Prejudice any Party**

9 This motion has been filed “as soon as practicable” after the error was discovered. WAC 480-07-460(1)(b). Only one business day has passed since Mr. Hancock identified the issue.

10 Further, the other parties still have nearly a month before the next testimony deadline (cross-answering and rebuttal testimony is due on December 1, 2017). There is ample time for the other parties to analyze and respond to Staff’s proposed revisions.

**V. CONCLUSION**

11 Commission Staff respectfully requests that the Commission grant the relief requested above.

DATED this 6th day of November 2017.

Respectfully submitted,

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