

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION D/B/A/ AVISTA UTILITIES

Respondent.

DOCKETS UE-220053, UG-220054, and UE-210854 (Consolidated)

**CROSS EXAMINATION EXHIBIT OF ELIZABETH M. ANDREWS
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT EMA-__X

Avista's Response to Public Counsel's Data Request No. 341 on Capital Additions

September 14, 2022

**AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/07/2022
CASE NO.:	UE-220053 & UG-220054	WITNESS:	Elizabeth Andrews / H. Rosentrater
REQUESTER:	Public Counsel	RESPONDER:	Justin Baldwin-Bonney
TYPE:	Data Request	DEPT:	Regulatory Affairs
REQUEST NO.:	PC – 341	TELEPHONE:	(509) 495-4130
		EMAIL:	justin.baldwinbonney@avistacorp.com

SUBJECT: Capital Additions**REQUEST:****Refer to Rebuttal Testimony of Elizabeth M. Andrews, Exh. EMA-7T at 65:9–20.**

Please:

- a. Confirm that the comparison mismatch that you describe pertains to the discussion on page 70, lines 14–18, of Sebastian Coppola’s direct testimony (Exhibit SC-1CT). If you are not confirming, please explain.
- b. Refer to the following materials for this question:
 - i Sebastian Coppola’s proposed Washington allocated adjustments to Aldyl-A Pipe Replacement capital additions in Exhibit SC-33,
 - ii Table 14 on page 71 of Sebastian Coppola’s testimony,
 - iii System-wide Aldyl-A Pipe Replacement capital additions for 2022-2024 provided in the Direct Testimony of Heather L. Rosentrater Exhibit HLR-2, page 2, and
 - iv 2019-2021 average capital additions shown in Ex. SC-22 Schedule A calculated from by the Company’s response to Public Counsel Data Request No. 208 Attachment A.

Confirm that Sebastian Coppola’s proposed WA adjustments to Aldyl-A Pipe Replacement capital additions in Exhibit SC-33 and Table 14 correctly compared system-wide capital additions for 2022-2024 (as provided in Rosentrater Exhibit HLR-2) to the 2019-2021 system-wide average capital additions in Exh. SC-22 Schedule A and which were escalated at an inflation factor for 2022-2024. If you are not confirming, explain.

- c. Confirm also that the calculations in Sebastian Coppola’s Exhibit SC-33 and Table 14 did not use any of the data from the comparison mismatch on page 70, lines 14–18, of Coppola’s testimony to arrive at the proposed WA adjustments. If you are not confirming, please identify how the mismatched comparison was used in Exhibit SC-33 and Table 14.

RESPONSE:

- a. Yes, it is confirmed that the discussion within Ms. Andrew’s rebuttal testimony (Exh. EMA-7T) at page 65, lines 9-20, is specific to witness Coppola’s discussion at SC-1CT page 70, lines 14-18.
- b. Yes, it is confirmed that within witness Coppola’s proposed adjustment, as depicted in Table 14 (SC-1CT page 71), the adjustment is based on system totals.
- c. It does not appear that the values discussed in witness Coppola’s testimony (SC-1CT page 70, lines 14-18) were used within his calculation for Table 14 within Exhibit SC-33.

While the Company confirms a. – c. above, the Company’s testimony that the calculated amounts of additions that were based on a three-year historical system average does not consider delays for COVID-

19 and Oregon specific issues (Exh. EMAT-7T page 85: 13-16), and the overall average methodology used, as Ms. Andrews explained (Exh. EMAT-7T pages 54-56), still stand and provide the rationale that the proposed adjustment is inappropriate. Furthermore, the erroneous comparison was used, in part, as a basis for determining future additions were being overstated. In conjunction with omitting causation for past transfer-to-plant totals, as discussed in provided testimony, the determination of an adjustment to the provided totals is not appropriate. Supporting information for past and future Aldyl-A investment was provided in Exhs. HLR-3 and HLR-4.

In any event, by the very nature of projects that won't be completed until 2023 and 2024, any uncertainty will be resolved once actual transfers-to-plant occur and made available for the review process which forms an integral part of the Rate Plan, whereby those capital projects are subject to review annually for the prior calendar year, for final prudence and verification of dollars spent and transferred, and a demonstration of used and useful investment.