

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/26/2016
CASE NO:	UE-160228 & UG-160229	WITNESS:	Kelly Norwood
REQUESTER:	ICNU	RESPONDER:	Liz Andrews
TYPE:	Data Request	DEPT:	State & Federal Regulation
REQUEST NO.:	ICNU – 179	TELEPHONE:	(509) 495-8601
		EMAIL:	liz.andrews@avistacorp.com

REQUEST:

Please refer to Exhibit No. KON-1T at 7, Table No. 1. Regarding the “2016 Rate Year” column, does the Company agree that:

- a. The column and figures therein refer to party proposals and the Commission’s final order in Docket UE-150204?
- b. Avista originally proposed a \$33.2 million electric rate increase in Docket UE-150204?
- c. The Commission Order in Docket UE-150204 approving an \$8.1 million electric revenue reduction was \$41.3 million less than what Avista originally proposed in Docket UE-150204?

If the Company does not agree, please provide a narrative explaining the Company’s alternative understanding.

RESPONSE:

- a. The column and figures, provided in Table No. 1 (2016 Rate Year) of Mr. Norwood’s rebuttal testimony in this proceeding, refer to response testimony proposals by the individual parties in Docket No. UE-150204 filed July 27, 2015, adjusted for the November 2015 Power Supply update. The proposed decreases by each party as filed included the impact of the Settlement Stipulation filed on May 1, 2015 resolving cost of capital, power supply, rate spread, and rate design issues. These balances reflected the parties’ litigation positions (filed July 27, 2015) based on information provided to them during the process of the case.
- b. Avista’s original filed electric increase in Docket No. UE-150204 was an increase of \$33.2 million. After including the impact of the May 1, 2015 Settlement Stipulation, Avista’s revised revenue requirement totaled \$17 million. On rebuttal, filed September 4, 2015, based on all information to date and in response to the parties’ testimonies, the Company further adjusted its request downward an additional \$10.2 million. The result on litigation, therefore, for consideration by the Commission was \$6.6 million prior to the November 2015 update. Inclusion of the November 2015 update reduced the Company’s revenue requirement for final consideration by the Commission to -\$5.7 million.
- c. The Commission Order in Docket No. UE-150204 approved an electric revenue reduction of \$8.1 million. The Commission’s approved electric reduction resulted from their review of the litigation positions of the parties (adjusted for the November 2015 power supply

update) which were as follows: Avista -\$5.7 million; Staff -\$18.5 million; Public Counsel -\$42 million; and ICNU -\$29.7 million.

Although the Commission's authorized reduction of \$8.1 million was \$41.3 million below Avista's original request, for a true comparison, the difference of that approved should be compared to Avista's litigation position on rebuttal. Each of the parties' litigation positions, including the impact of the November 2015 power supply update, would be an apples-to-apples comparison with that approved by the Commission, who also had all information when deciding the Company's case.

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REQUEST:

Please refer to Exhibit No. KON-1T at 6:4-8, and KON-1T 7, Table No. 1. Please confirm the Company's understanding that:

- a. ICNU's electric revenue proposal in Docket UE-150204 was "dramatically" below the end result ordered by the Commission and was "not reasonable";
- b. ICNU's electric revenue proposal in in Docket UE-150204 was \$21.6 million less than the \$8.1 million electric revenue decrease approved in the Commission Order in Docket UE-150204;
- c. An electric revenue proposal which varies by at least \$21.6 from the electric revenue ultimately approved by the Commission qualifies as "dramatically" different, when comparing a party proposal to a Commission-approved figure; and
- d. An electric revenue proposal which varies by at least \$21.6 from the electric revenue ultimately approved by the Commission is "not reasonable."

If the Company cannot confirm, please provide a narrative explaining the Company's alternative understanding.

RESPONSE:

- a. Yes, ICNU's electric revenue proposed reduction of -\$29.7 million in Docket UE-150204 was "dramatically" below the end result ordered by the Commission of -\$8.1 million, and was "not reasonable."
- b. Yes, ICNU's electric revenue proposed reduction of -\$29.7 million in Docket UE-150204 was \$21.6 million less than the \$8.1 million electric revenue decrease approved in the Commission Order in Docket UE-150204.
- c.-d. If the proposed revenue change is \$21.6 million less than what the evidence otherwise suggests is required, then yes, it is "dramatically different" and is "not reasonable."