

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION, d/b/a AVISTA UTILITIES

Respondent.

DOCKETS UE-240006 & UG-240007 (*Consolidated*)

**CROSS-EXAMINATION EXHIBIT OF JOSEPH D. MILLER
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

JDM-__X

Public Counsel's Cross-Examination Questions

September 26, 2024

AGREED TESTIMONY OF JOE MILLER

Public Counsel's Cross-Examination for Avista Witness Joe Miller.

Q: You are Avista's Senior Manager of Rates and Tariffs and you filed initial testimony on January 19, 2024 and rebuttal testimony in August 2024, is that right?

A: Yes, that is correct.

Q: In Avista's initial testimony, you testified "Given the relative size of the proposed base revenue increase, Avista is proposing the spread the revenue increase on a uniform percent of revenue basis at the proposed levels. This proposed rate spread makes a modest movement for all rate schedules toward rate parity on a return ratio basis." (JDM-1T 7:18-8:2) Is that correct?

A: Yes, that is correct.

Q: This is because if there is a rate increase as large as requested in Avista's initial filing with a uniform allocation, the uniform allocation will bring all classes modestly toward parity, is that correct?

A: Yes, a uniform allocation at that revenue requirement will make a modest movement of all rate schedules toward parity on a return ratio basis.

Q: In Avista's rebuttal/cross-answering testimony, Avista lowered its proposed base revenue increase, and in your rebuttal testimony, you testified that Avista now supports AWEC's rate spread proposal, is that correct.

A: Yes, that is correct.

Q: You also testified that given the relative size Rate Year 2 increase, the company would not oppose a uniform percentage adjustment as was proposed in your initial filing, is that correct?

A: Yes, that is correct.

Q: If the Commission were to award Avista's requested base rate from its rebuttal position on revenue requirement, can you confirm that approving AWEC's rate spread proposal would result in \$23 million dollars more allocated to residential customers than a uniform percent spread would allocate?

A: Yes, Avista agrees that at the requested revenue requirement on rebuttal, the delta between the positions is \$23M for residential customers.

Q: Would Avista oppose a uniform rate spread at the full rebuttal requirement level?

A: While not the preferred position of the Company, we acknowledge that the Commission considers many factors when setting rates, and we would not be opposed to a uniform percentage allocation at the full rebuttal revenue requirement.

Q: If the Commission were to award a revenue requirement below the full rebuttal revenue requirement, does that change Avista's position?

A: Yes, we acknowledge that the delta between Public Counsel and AWEC's rate spread proposals diminish if the revenue requirement is less than Avista's current rebuttal request in which case the Company is supportive of making movement towards cost of service.

Q: Do you agree that Avista's cost of service study, including parity ratios, did not include costs associated with Colstrip?

A: Yes, I agree.

Q: Do you agree that under WAC 480-100-610, nonemitting electric generation and electricity from renewable resources must supply 100% of retail electricity sales by January 1, 2045 and that in exhibit MJG-2, tab "C-COS Allocation Factors, line 2, factor "SO1" describes allocating remaining production expenses on a renewable future peak credit basis and that allocator listed in cells G2 and H2 allocates 51.46 of production plant costs to the residential service class?

A: Yes, I agree with that.

Q: Do you agree that US battery storage is expected to increase in 2024 and that declining costs of battery storage assets would decrease the comparative costs of battery storage systems to utility wind farm PPAs.

A: I agree that per the EIA report, US batter storage is expected to increase in 2024.

Q: Do you agree that the electric cost of service study was based on the July 1, 2022 to June 30 2023 test period pro forma results of operations for Rate Year 1?

A: Yes, that is correct.

Q: Do you agree that the differential rate allocation from the last Avista general rate case was applied from December 21 2022 to December 20 2023 (RY1) December 20, 2023 to December 2024 (RY2)?

A: Yes, I agree.