



Bob Ferguson
ATTORNEY GENERAL OF WASHINGTON

Public Counsel

800 Fifth Ave • Suite 2000 • MS TB-14 • Seattle WA 98104-3188 • (206) 464-7744

October 3rd, 2019

SENT VIA WEB PORTAL and ABC LMI

Mark L. Johnson
Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Olympia, Washington 98503

Re: *WUTC v. Avista Corp* (ERM), UE-190222

Dear Mr. Johnson:

Pursuant to the Utilities and Transportation Commission's ("Commission") Order 04 dated October 2, 2019, Public Counsel provides a list of contested issues contained in testimony addressing Avista's Energy Recovery Mechanism (ERM) filing. Public Counsel addresses two issues in our testimony.

Public Counsel's testimony will address the prudence of incremental power costs incurred by Avista resulting from the 2018 compliance-related outage at the Colstrip coal-fired electric generation plant. Our witness concludes that the outage was imprudent, and Public Counsel will recommend that increased power costs resulting from the outage be disallowed. Public Counsel anticipates that this issue will be contested.

Public Counsel will also provide an update regarding the power cost workshop the Commission ordered in Avista's last rate case to address the directional bias of the Company's power cost calculations.¹ Our witness identifies a major source of bias and concludes that the Commission should re-affirm its ruling that Avista's power cost calculations are directionally biased, continue to support the stakeholder workshop process, and require Avista to correct identified errors and biases in its power cost calculations by its next rate case. Public Counsel believes this issue will be largely uncontested because we are not asking the Commission to correct the bias in this case,

¹ *WUTC v. Avista Corp.*, Dockets UE-170485 and UE-170486, Order 07: Final Order at 53-55 (Apr. 26, 2018).

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To: Mark Johnson, Executive Director & Secretary, UTC
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but rather allow the workshop process to proceed. However, despite Public Counsel's commitment to the workshop, Avista may disagree with certain aspects of the testimony.

Sincerely,

/s/ Lisa W. Gafken

LISA W. GAFKEN, WSBA No. 31549
Assistant Attorney General
Public Counsel Unit Chief
(206) 464-6595

LWG/CM

Enclosures

cc: Service List (First Class Mail & E-mail)

CERTIFICATE OF SERVICE

DOCKET UE-190334 and UG-190335, UE-190222 (Consolidated)
WUTC v. Avista Corp. d/b/a Avist Utilities
(Avista 2019 GRC)

I HEREBY CERTIFY that I have this day served *Letter regarding ERM Issues* upon all parties of record in this proceeding, by electronic transmission to the email address(es) or by mailing a true and correct copy, postage prepaid, to each party or party representative listed in the Commission's master service list for this docket.

<p>COMMISSION STAFF:</p> <p>Jennifer Cameron-Rulkowski Office of the Attorney General Utilities & Transportation Commission 1400 S. Evergreen Park Drive S.W. P.O. Box 40128 Olympia, WA 98504-0128 Jennifer.Cameron-Rulkowski@utc.wa.gov</p> <p>Nash Callaghna, Nash.Callaghan@utc.wa.gov Joe Dallas, joe.dallas@utc.wa.gov Daniel Teimouri, daniel.teimouri@utc.wa.gov Chris McGuire, Chris.McGuire@utc.wa.gov Krista Gross, krista.gross@utc.wa.gov Betsy DeMarco, betsy.demarco@utc.wa.gov</p>	<p>AVISTA CORP:</p> <p>Avista Corporation P.O. Box 3727 Spokane, WA 99220-3727 AvistaDockets@avistacorp.com</p>
<p>AVISTA CORP:</p> <p>David J. Meyer Avista Corporation P.O. Box 3727 1411 E. Mission Avenue, MSC-27 Spokane, WA 99220-3727 david.meyer@avistacorp.com</p>	<p>AVISTA CORP:</p> <p>Patrick Ehrbar Avista Corporation P.O. Box 3727 1411 E. Mission Avenue, MSC-27 Spokane, WA 99220-3727 pat.ehrbar@avistacorp.com</p>

<p>ALLIANCE OF WESTERN ENERGY CONSUMERS:</p> <p>Tyler Pepple Davison Van Cleve, PC 1750 SW Harbor Way, Suite 450 Portland, OR 97201 tcp@dvclaw.com</p> <p>Brent Coleman, brc@dvclaw.com Corinne O. Milinovich, com@dvclaw.com</p> <p>Jesse O. Gorsuch, jog@dvclaw.com Bradley G. Mullins, brmullins@mwanalytics.com Lance Kaufman, lance@aegisinsight.com</p>	<p>NORTHWEST ENERGY COALITION:</p> <p>Irion Sanger Sanger Thompson, PC 1117 SE 53rd Avenue Portland, OR 97215 irion@sanger-law.com</p> <p>Marie Barlow, marie@sangerlaw.com</p>
<p>NORTHWEST ENERGY COALITION:</p> <p>Wendy Gerlitz NW Energy Coalition 811 First Avenue, Suite 305 Seattle, WA 98104 wendy@nwenergy.org</p> <p>Amy Wheelless, amy@nwenergy.org</p>	<p>SIERRA CLUB:</p> <p>Jessica Yarnall Loarie 2101 Webster Street, Suite 1300 Oakland, CA 94612 jessica.yarnall@sierraclub.org</p> <p>Gloria Smith, gloria.smith@sierraclub.org Doug Howell, doug.howell@sierraclub.org (Public Version Only) Ezra Hausman, ezra@ezrahausman.com Ana Boyd, ana.boyd@sierraclub.org info@washington.sierraclub.org</p>
<p>NORTHWEST CITIZENS POWER COALITION:</p> <p>Michael Bell 2909 S. Howard Street Spokane, WA 99203-1747 mrbellepa@gmail.com</p> <p>(Public Version Only)</p>	<p>THE ENERGY PROJECT:</p> <p>Shawn Collins The Energy Project 3406 Redwood Avenue Bellingham, WA 98225 shawnc@oppco.org</p> <p>(Public Version Only)</p>

THE ENERGY PROJECT:

Simon ffitch
Attorney at Law
321 High School Road NE, Suite D3 #383
Bainbridge Island, WA 98110
simon@ffitchlaw.com

Dated at Seattle, Washington this 3rd day of October 2019.

/s/ Chanda Mak

CHANDA MAK

Legal Assistant