

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

COMPLAINANT

V.

AVISTA CORPORATION, d/b/a AVISTA UTILITIES,

RESPONDENT

DOCKETS UE-150204 and UG-150205 (*Consolidated*)

CROSS-ANSWERING TESTIMONY OF GLENN A. WATKINS

ON BEHALF OF

PUBLIC COUNSEL

EXHIBIT GAW-4T

OCTOBER 11, 2019

1 **Q. Please state your name, occupation, and business address.**

2 A. My name is Glenn A. Watkins. I am President and Senior Economist of Technical
3 Associates, Inc. My business address is 6377 Mattawan Trail, Mechanicsville,
4 Virginia 23116.

5 **Q. Have you previously filed testimony in this proceeding?**

6 A. Yes. I filed direct testimony in this proceeding on September 13, 2019.

7 **Q. What is the purpose of your cross-answering testimony in this proceeding?**

8 A. The purpose of this testimony is to respond to the testimonies of Staff witness,
9 Jason Ball and AWEC witness, Bradley Mullins as it relates to how refunds
10 should be distributed to individual customers.¹

11 **Q. Please summarize the parties' positions on how any refund should be
12 provided to customers.**

13 A. Staff witness, Mr. Ball takes no position on how any refunds should be distributed
14 across customers or customer classes. On the other hand, AWEC witness
15 Mr. Mullins' approach is conceptually very similar to my recommended approach
16 wherein refunds will be given back to customers based on the level of revenues
17 contributed.² However, there is some difference on the timing and how
18 Mr. Mullins and I recommend any refund be given back to customers.

19 **Q. Please explain the differences between your recommended approach and that
20 proposed by Mr. Mullins.**

21 A. As discussed in my response testimony, I recommend that any total refund
22 ordered by the Commission be given back to customers based upon those

¹ Testimony of Jason L Ball. Exh. JLB-7T; Response Testimony of Bradly G. Mullins, Exh. BGM-7T.

² For natural gas refunds, revenues are limited to margin (non-gas) revenues.

1 customers' revenues during the rate effective period; i.e., based on historical
2 usage when these excessive rates were in effect. Mr. Mullins proposes to provide
3 refunds on a forward-looking basis based on revenues and billing determinants in
4 the pending General Rate Case (Docket Nos. UE-190334 and UG-190335).

5 In my opinion, my proposed method is more equitable in that it will return
6 refunds to individual customers based on the actual excess revenue each customer
7 contributed during the rate effective period. As such, customers that have since
8 left the Avista system would be provided a refund and customers that have joined
9 the Avista system during the rate effective period would only be entitled to
10 refunds commensurate with the level of revenues they actually provided.

11 Based on my experience in other states in which refunds have been
12 required to individual customers, Avista should have the appropriate records on a
13 customer-by-customer basis to employ my recommended approach. However, to
14 the extent that Avista does not have such records or is unable to accurately
15 compute refunds on a customer-by-customer basis, Mr. Mullins' approach would
16 be reasonable. Finally, it should be noted that I recommend a one-time refund to
17 customers while Mr. Mullins recommends spreading the refunds over the course
18 of an entire year. I am somewhat indifferent on either approach. Since customers
19 overpaid for electric and natural gas service for quite some time, a one-time
20 refund (or credit) would seem most appropriate.

21 **Q. Does this complete your testimony?**

22 A. Yes.