

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION, D/B/A
AVISTA UTILITIES,

Respondent.

DOCKETS UE-160228 and
UG-160229 (*Consolidated*)

MOTION OF AVISTA CORPORATION
FOR LEAVE TO FILE REPLY
COMMENTS

1 COMES NOW, Avista Corporation (hereafter “Avista” or “Company”) and respectfully submits this Motion of Avista Corporation for Leave to File Reply Comments. For the reasons set forth below, good cause exists for providing Avista with the opportunity to file additional reply comments in these dockets.

I.

2 Attached to this Motion are Avista’s Reply Comments to the Answers filed by the other parties. Avista believes that good cause exists for permission to file these Reply Comments, in order to correct certain misstatements or misrepresentations or other incorrect characterizations of the evidence. Entertaining these Reply Comments will assist in the Commission’s reasoned deliberations on Avista’s Petition for Reconsideration/Rehearing and will contribute to a final resolution.

II.

3 In its Post-Hearing Brief, Staff proclaimed that it “offers an independent unbiased analysis.”¹ Staff believed at the time of hearing, and at the time the record was closed, that its own case was well-supported and demonstrated electric and natural gas revenue increases of \$25.6 million and \$2.1 million, respectively. Staff now abandons its case and its recommendations, and takes the position that the Company “failed to meet its burden of proof with respect to its proposed rate increase.”² Staff’s recommendation in its Answer that it now supports no revenue increase for the Company, is inconsistent with the case it presented to the Commission, and is inconsistent with the record in this case before the Commission. For the reasons discussed in Avista’s Reply comments, the arguments contained within Commission Staff’s Answer which are inconsistent with its own recommendation in the record to the Commission, should be rejected by the Commission.

III.

4 The attached Reply Comments are brief, and to the point (approximately 7 pages) and do not seek to reargue each issue. Avista understands that at some point the “back and forth” needs to end. Nevertheless, a few matters are deserving of additional comment, in order to correct certain misrepresentations, errors or omissions. These include:

- a. Staff’s failure to support its own recommendations for a revenue increase, which is inconsistent with the record in this case;
- b. Staff’s criticism, in its Answer, of Avista’s return on equity (ROE) opportunity of 6.8% in 2017 comes without its own calculation. If one were to use Staff’s own rate base

¹ Staff Post Hearing Brief, ¶6

² Staff’s Answer, ¶37

numbers for purposes of calculating Avista's ROE opportunity for 2017, the resulting opportunity in 2017 is still only 7.0%.³ As compared to the current ROE of 9.5%, either one of these numbers represent a substantial earnings shortfall for Avista during 2017 in the range of \$34.8 million to \$37.5 million⁴;

- c. Nowhere in Avista's testimony, exhibits, nor anywhere else in the record, does it show that Avista made the statements represented by ICNU and NWIGU, i.e. that it spends to match "authorized revenue." or "projections with prior attrition studies"⁵;
- d. In its Answer, ICNU's suggested logical extension of the \$8.1 million electric revenue reduction in the last case (Docket Nos. UE-150204 and UG-150205), to support the reasonableness of no revenue increase in this case,⁶ is unrelated to the revenue adjustment needed in this case, and it is misleading to suggest that it is; and
- e. Finally, Commission Staff presents misleading information, and misrepresented information, regarding the impact of Order 06 on Avista in the financial markets.⁷

IV.

5 WHEREFORE, for the foregoing reasons and for the reasons expressed in the attached Reply Comments, Avista respectfully requests that it be granted leave to file the attached Comments.

³ The Company's 6.8% ROE per "Avista Corporation Petition for Reconsideration or, in the Alternative, for Rehearing", Attachment B; Commission Staff's 7.0% ROE calculated using Staff proposed rate base per Exhibit No. JH-2, pg 2, row 50 and JH-3 Revised, pg 2, row 47.

⁴ From Exhibit Nos. JSS-3 and JSS-4, pgs 3 and 4; Exhibit No. JH-2 and JH-3 Revised, pg 2.

⁵ NWIGU's Answer, ¶40; ICNU's Answer, ¶25.

⁶ ICNU's Answer ¶27, and Footnote 61 in particular.

⁷ Commission Staff's Answer, ¶34.

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RESPECTFULLY SUBMITTED this 20th day of January 2017.

AVISTA CORPORATION

By:  _____

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Governmental Affairs
Attorney for Avista Corporation