

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	
TRANSPORTATION COMMISSION	)	
	)	DOCKET UE-080416
Complainant,	)	
	)	and
v.	)	
	)	DOCKET UG-080417
AVISTA CORPORATION d/b/a	)	
AVISTA UTILITIES	)	AVISTA CORPORATION'S MOTION
	)	FOR LEAVE TO FILE SUPPLEMENTAL
Respondent.	)	TESTIMONY AND EXHIBITS
.....	)	

*I* Pursuant to WAC 480-07-375(1)(d) and 480-07-460(b)(ii), Avista Corporation (“Avista” or “the Company”), hereby requests that the Commission grant it leave to file the supplemental prefiled direct testimony and exhibits submitted with this motion. The purpose of these revisions is to update the original testimony and exhibits of Elizabeth Andrews, Clint Kalich, Bill Johnson, and Tara Knox for information that was not available to Avista at the time it filed its original prefiled direct evidence on March 4, 2008, and to otherwise make certain corrections. The supplemental testimony and exhibits revise the Company’s justified electric revenue requirement upward from \$36.6 million to \$47.4 million. The Company, however, has not revised its tariff filing to reflect these changes, and accordingly is not requesting additional rate relief beyond the requested \$36.6 million.

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As noted, this supplemental testimony updates Avista's power costs for the 2009 rate year, corrects certain pro forma and restating adjustments from the original filing, and updates various adjustments based on more recent data than the information Avista had available to it when it prepared its original filing. The following table summarizes the revisions:

	<b><u>Description</u></b>	<b><u>Adjustment</u></b>	<b><u>Revenue Requirement</u></b>
	<b>As filed March 4, 2008</b>		<b>\$36.6</b>
<b>1</b>	Update to Power Supply Expense	PF1 – Pro Forma Power Supply	\$8.2
<b>2</b>	Production Property Correction	PF2 – Production Property Adj.	\$2.1
<b>3</b>	Colstrip Generation O&M Expense Reduction	PF12 – Pro Forma Colstrip Mercury Emission O&M	(\$.7)
<b>4</b>	Add Noxon Generation Upgrade Capital to Match Power Supply	PF14 – Pro Forma 2009 Noxon Upgrade	\$1.6
<b>5</b>	Remove A&G Non-Utility Costs	PF15 – Pro Forma Misc. Adj.	(\$.1)
<b>6</b>	Deferred FIT Correction	FIT	(\$.1)
<b>7</b>	Debt Interest Associated with Updated Rate base Adjustments	Restate Debt Interest	<u>(\$.2)</u>
	<b>Updated Revenue Requirement</b>		<b>\$47.4</b>

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Accordingly, Avista is filing with this motion the following prefiled supplemental direct testimony and exhibits:

- Prefiled Supplemental Direct Testimony of **Elizabeth M. Andrews**, Exhibit No. \_\_\_ (EMA-4T);
- First Exhibit to the Prefiled Supplemental Direct Testimony of **Elizabeth M.**

- **Andrews**, Exhibit No. \_\_\_(EMA-5);
- Second Exhibit to the Prefiled Supplemental Direct Testimony of **Elizabeth M. Andrews**, Exhibit No. \_\_\_(EMA-6);
- Prefiled Supplemental Direct Testimony of **Clint G. Kalich**, Exhibit No. \_\_\_(CGK-4T);
- First Exhibit to the Prefiled Supplemental Direct Testimony of **Clint G. Kalich**, Exhibit No. \_\_\_(CGK-5)
- Prefiled Supplemental Direct Testimony of **William G. Johnson**, Exhibit No. \_\_\_(WGJ-6T);
- First Exhibit to the Prefiled Supplemental Direct Testimony of **William G. Johnson**, Exhibit No. \_\_\_(WGJ-7);
- Second Exhibit to the Prefiled Supplemental Direct Testimony of **William G. Johnson**, Exhibit No. \_\_\_(WGJ-8);
- Third Exhibit to the Prefiled Supplemental Direct Testimony of **William G. Johnson**, Exhibit No. \_\_\_(WGJ-9);
- Prefiled Supplemental Direct Testimony of **Tara L. Knox**, Exhibit No. \_\_\_(TLK-7T);
- First Exhibit to the Prefiled Supplemental Direct Testimony of **Tara L. Knox**, Exhibit No. \_\_\_(TLK-8);

4           The Commission’s procedural rules require Avista to seek leave for filing its proposed supplemental direct testimony and exhibits because they go beyond revisions to

correct mistakes:

Parties must seek leave from the presiding officer by written motion if they wish to submit testimony that includes substantive changes other than to simply correct errors of fact asserted by a witness. A party proposing such changes may submit the proposed revisions with its motion.

WAC 480-07-460(1)(b)(ii). Avista therefore files this motion seeking such leave.

5 Avista's motion should be granted. Avista seeks to add to the record supplemental evidence that will more accurately reflect Avista's power costs and electric revenue deficiency for the period that retail rates will be in effect at the conclusion of this proceeding. Avista has sought to prepare and present its supplemental evidence in a manner that makes it easy for other parties to understand the required changes from Avista's prefiled direct evidence. Allowing Avista to supplement its evidence now will reduce the burden on other parties that would result from having to attempt to update or correct Avista's original filing themselves based on information made available to them in data request responses. Submission of the supplemental testimony at this time also provides the other parties the opportunity to address the updated information in their response testimonies (due September 12, 2008), which would not be possible if Avista first provided this information in Avista's rebuttal testimony. Finally, Avista has previously notified the Commission and the parties of record of its intent to file this update, and Avista believes that the parties to this proceeding will not be disadvantaged by this filing.

6 In Puget Sound Energy, Inc.'s ("PSE") pending general rate case (Docket UE-072300 and UG-072301), PSE was granted leave to file supplemental testimony. (See Order 08, dated May 5, 2008) In his Order, supra, at para. 10, Administrative Law Judge, Dennis J.

Moss noted as follows:


The Commission's paramount interest is in having a full record with the best available evidence upon which to base its decisions. When the Company offers supplemental evidence, as here, the Commission balances its interest in having up-to-date information against the needs of the parties to have adequate opportunities for discovery and the development of their own testimony and exhibits....

For the reasons expressed above, Avista believes that this request to supplement its filing will allow for "a more orderly process and will promote fairness." (See Order, supra, para.9)

7 Accordingly, Avista respectfully requests that the Commission enter an order granting Avista leave to supplement its prefiled evidence in this proceeding and accepting for filing the supplemental testimony and exhibits submitted with this motion.

Respectfully Submitted,

DATED: July 25, 2008

  
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David J. Meyer, Avista Corporation  
VP, Chief Counsel for Regulatory and  
Governmental Affairs