



Bob Ferguson

ATTORNEY GENERAL OF WASHINGTON

Utilities and Transportation Division

1400 S Evergreen Park Drive SW • PO Box 40128 • Olympia WA 98504-0128 • (360) 664-1183

Via Electronic and United States Mail

January 26, 2016

Steven V. King, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P. O. Box 47250
Olympia, Washington 98504-7250

RE: *Avista Corporation 2015 General Rate Case*
Dockets UE-150204/UG-150205

Dear Mr. King:

Enclosed for filing in the above-referenced docket are Staff's Responses to Bench Request Nos. 19-20.

Sincerely,

PATRICK J. OSHIE
Assistant Attorney General
Enclosures

cc: Parties

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF
RESPONSE TO DATA REQUEST

DATE PREPARED: January 26, 2016
DOCKET: UE-150204/UG-150205
REQUESTER: Bench

WITNESS:
RESPONDER: Commission Staff
TELEPHONE:

Bench Request No. 19: Staff shall provide all of its electronic work papers supporting its \$27.4 million calculation, and all of the cells within the work papers shall be unlocked and completely transparent (i.e., without hard coding, hidden worksheets, and with all formulas and links intact). Further, Staff will indicate in its response the party responsible for hiding work papers from the Commission within the attrition model. If the responsible party is Staff, Staff shall provide an explanation for this omission.

RESPONSE:

Staff shall provide all of its electronic workpapers supporting its \$27.4 million calculation.

Staff regrets any confusion surrounding its Motion for Reconsideration (Motion). Staff's Motion should not be interpreted to argue that the Commission should consider new, detailed workpapers from Staff. Staff was simply recommending that the Commission revisit its own model.

Staff's Motion was intended to inform the Commission that the various parties, including Staff, could not arrive at the Commission's stated revenue requirement by following the Commission's instructions and adjustments in the final order. Staff thus asked the Commission to reconsider its order and internal revenue requirement model. The Commission now has the opportunity and authority to revisit its analysis, and at its discretion, confirm, explain, or alter its decision as it believes necessary.

Please find attached Staff's attempts to follow the Commission's instructions in the final order and the resulting \$27.7 million calculated reduction to Avista's electric revenue requirement. This attachment is a derivative of Avista's Exhibit EMA-6, from which Staff includes adjustments made by the Commission in its final order.

All of the cells within the work papers shall be unlocked and completely transparent (i.e., without hard coding, hidden worksheets, and with all formulas and links intact).

As directed, Staff provides the Commission all worksheets that appeared to be locked or hidden. At no time during this proceeding did Staff lock its workpapers. Staff regrets failing to provide clear labels regarding hidden worksheets and cells in its workpapers. In the future, staff commits to incorporating the following statement in any workpaper which contains hidden material:

"There are hidden worksheets in this workbook. To reveal underlying worksheets, please right click any tab, click 'unhide,' and open the worksheet of interest."

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The individual cells include the formulas and, where relevant, indicate links to other worksheets. Worksheets are regularly "hidden" (that is to say they are moved off of the first layer visible tabs) in Commission proceedings to create a manageable number of first-layer tabs and to signal to the intended audience that the first-layer tabs are the tabs that are the most important to the analysis. If an additional layer of detail is required, additional layers of worksheets can be revealed by the above-referenced process.

Further, Staff will indicate in its response the party responsible for hiding work papers from the Commission within the attrition model. If the responsible party is Staff, Staff shall provide an explanation for this omission.

To Staff's knowledge and as explained above, no party intended to hide workpapers from the Commission.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF
RESPONSE TO DATA REQUEST

DATE PREPARED: January 26, 2016
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REQUESTER: Bench

WITNESS:
RESPONDER: Commission Staff
TELEPHONE:

Bench Request No. 20: Staff shall update Mr. McGuire's Exhibit No. CRM-2 with the results of their calculations in the Motion to Reconsider. Again, the cells of the work papers shall be unlocked and completely transparent (i.e., without hard coding, hidden worksheets, and with all formulas and links intact). More specifically, any updated Exhibit No. CRM-2 must include a clearly labeled schedule reflecting changes to power cost in the model including beginning and ending balances and source of changes.

RESPONSE:

Staff shall update Mr. McGuire's Exhibit No. CRM-2 with the results of their calculations in the Motion to Reconsider. Again, the cells of the work papers shall be unlocked and completely transparent (i.e., without hard coding, hidden worksheets, and with all formulas and links intact). More specifically, any updated Exhibit No. CRM-2 must include a clearly labeled schedule reflecting changes to power cost in the model including beginning and ending balances and source of changes.

Please refer to Attachment A to this response. Here the Commission can review Staff's attrition model, CRM-2. Attachment A incorporates the decisions described in Order 05, including the October power supply update.

However, please note that CRM-2 was not used as the basis for Staff's Motion. Staff interpreted Order 05 to mean that EMA-6 was the starting point for the Commission's attrition analysis. Therefore, Staff incorporated the Order 05 adjustments into EMA-6. Exhibit EMA-6, with the adjustments from the Commission's final order, can be found in Staff's response to Bench Request 19.

A note on making adjustments to the attrition model:

Please be advised that in order to fully incorporate the October power supply update into the attrition model, you must have the updated pro forma power supply costs using 09.2014 loads AND the updated pro forma power supply costs using 2016 loads. To its knowledge, Staff does not have access to the latter. As a result and in order to comply with this bench request, Staff was required to estimate two items within pro forma power supply costs at 2016 loads: 1) sales for resale and 2) purchased power expense. It did so by assuming the difference in those items between the 09.2014 loads and the 2016 loads were constant for the pre-updated and the post-updated power supply costs.

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WITNESS:
RESPONDER: Commission Staff
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In order to accurately incorporate the power supply update into the attrition model, the October power supply update must be reflected in two separate tabs: 1) 'PF Power Supply 09.2014 load' and 2) 'PF Power Supply 2016 Load.' Updating only one will create incorrect values in the 'incremental load expense' that are then rolled forward to column [J], Revenue Growth, on the 'Attrition 09.2014 to 2016' tab.

As an alternative, the Commission could simply reflect the power supply update revenue requirement reduction outside of the attrition model. If the Commission chooses to proceed in that way, Staff has attached to this response two attrition models that do not yet incorporate the October power supply update, but do include the other Order 05 adjustments. Attachment B is Staff's updated electric attrition study, CRM-2. Attachment C is Avista's updated electric attrition study, EMA-6.

For Attachments B and C, if the Commission wishes to see additional tabs that may not be on the surface-facing layer of tabs, in can right-click any tab, click "unhide," and then open items of interest from the list.

As noted above, the attachments to Staff's response should be fully transparent and accessible through traditional MS Excel features.