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BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-12 \_\_\_\_\_

DOCKET NO. UG-12 \_\_\_\_\_

DIRECT TESTIMONY OF  
ELIZABETH M. ANDREWS  
REPRESENTING AVISTA CORPORATION

1 further taking into account Dr. Lowry's original Attrition Adjustment of \$20.5 million, the  
2 attrition-adjusted subtotal for the ~~total~~ revenue requirement, ~~adjusted for attrition~~ is \$41.502  
3 million, as shown in Column AA-Ttl, Line 50.

4 **Q. Please explain the significance of the 5 columns shown on page 9 of your**  
5 **Exhibit No. \_\_\_\_ (EMA-2), beginning after the Pro Forma Sub-Total column.**

6 A. The four columns immediately after the Pro Forma Sub-Total column on  
7 page 9 represent my own alternative analysis of the attrition impact of the planned capital  
8 expenditures for 2012 and 2013, as well as the impact of the DSM program referred to by  
9 Mr. Ehrbar. The final column of page 9, entitled Attrition Adjusted Total, equating to  
10 \$41.502 million, is the revenue requirement, including the impact of Dr. Lowry's attrition  
11 adjustment that was actually used for purposes of developing the revenue requirement, and  
12 as described further within his direct testimony<sup>11</sup>.

13 Company witnesses Mr. Norwood and Dr. Lowry discuss further the significance of  
14 the attrition-adjusted revenue requirement amount within their testimonies, and the  
15 independent Attrition Study performed by Dr. Lowry.

16 As mentioned above, as a "cross-check" on the reasonableness of Dr. Lowry's  
17 overall attrition-adjusted revenue requirement during the 2013 rate year of \$41.502 million, I  
18 have also analyzed the effect of growth in rate base and impact of DSM through the 2013  
19 rate period. First, however, as described above, I have started with the unadjusted results of

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<sup>11</sup> See Dr. Lowry's total revenue requirement deficiency of \$41.502 million at Exhibit No. \_\_ (MNL-5), Column [J], Line 56.