



Rob McKenna
ATTORNEY GENERAL OF WASHINGTON

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June 12, 2012

SENT VIA E-MAIL & ABC/LMI

The Honorable Marguerite E. Friedlander
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250

RE: WUTC v. Avista
Dockets UE-120436 and UG-120437 (*Consolidated*)

Dear Judge Friedlander:

During the Prehearing Conference on May 9, 2012, in the above-referenced docket, Public Counsel requested guidance from the Commission regarding the presentation of adjustments. The resulting Prehearing Conference Order states that “[a]ll adjustments will be based on Avista’s test year actual results (or “per books”).” *WUTC v. Avista Corporation d/b/a Avista Utilities*, Docket Nos. UE 120436 and UG 120437 (*consolidated*), Order No. 03, Prehearing Conference Order, Order Granting Request for Limited Consolidation of Dockets, at ¶ 10 (May 14, 2012).

Public Counsel respectfully requests further guidance regarding the Commission’s requirements for presentation of adjustments in this general rate case. Enclosed for convenience is a copy of a Notice of Bench Request issued by the Commission on January 21, 2010, in a Puget Sound Energy general rate case.¹ In addition, enclosed for convenience is a copy of a Prehearing Conference Order issued on March 24, 2009, in a PacifiCorp general rate case.²

Both the enclosed Bench Request and the enclosed Prehearing Conference Order contain detailed instructions regarding adjustment presentation. The Bench Request was issued to instruct parties (including the Company, Staff, and Public Counsel) to re-file certain exhibits to conform to the Commission’s presentation requirements. The Prehearing Conference

Order instructed the Company to re-file certain exhibits and prospectively set forth requirements for the Parties proposing adjustments to the Company’s request.³

¹ Docket Nos. UE-090704 and UG-090705 (*consolidated*).

² Docket No. UE-090205.

³ *PacifiCorp*, Docket No. UE-090208, Prehearing Conference Order, Order No. 04, at ¶¶ 7-11.



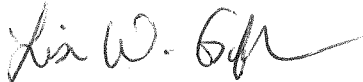
ATTORNEY GENERAL OF WASHINGTON

To: ALJ Friedlander
Re: Dockets UE-120436 & UG-120437
Date: June 12, 2012
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To ensure that the Parties are clear regarding the Commission's expectations and requirements, Public Counsel requests that the Commission issue similar detailed requirements in the current Avista general rate proceeding. This will avoid the need for the Commission to require parties to re-file exhibits⁴ and will result in the Parties presenting the Commission with the best evidence on which the Company's filing may be evaluated.

Thank you for your consideration.

Sincerely,



LISA W. GAFKEN
Assistant Attorney General
Public Counsel Division
(206) 464-6595

LWG:cjw
Enclosures

cc: Service List (E-mail and U S Mail)

⁴ One exception to this may be that the Commission will need Avista to re-file certain exhibits to its direct case, filed on April 2, 2012. Public Counsel does not opine affirmatively or negatively that this may be the case here, but only notes that the PacifiCorp was required to re-file one of its Exhibits. Order No. 04 at ¶ 7.

[Service Date January 21, 2010]

January 21, 2010

**NOTICE OF BENCH REQUEST
(Due February 1, 2010)**

RE: *WUTC v. Puget Sound Energy, Inc. – General Rate Case*
Dockets UE-090704, UG-090705 (*consolidated*)

TO ALL PARTIES:

The following bench request (BR) is directed to all parties. All parties must conform their revenue requirements evidence to the standard set forth in this Bench Request.¹

In order to properly evaluate testimony filed in a ratemaking proceeding, the Commission requires electronic spreadsheets that illustrate results of operations and rate base, as well as every adjustment made to per-book figures to demonstrate the conversion from per-book results to adjusted results of operations. The Commission requires all formulas to be fully accessible, including any which support revised revenue requirements exhibits or supplemental revenue requirements exhibits. Parties that do not file full results of operations cases must also ensure that they explain in detail how the recommendations of their witnesses, if adopted, affect the per books results of operations.

¹ All parties' testimony and supporting exhibits must begin from a common starting point, the "per books" filing made by PSE, as opposed to the Company's adjusted filing. Further, for ease of tracking, all parties submitting testimony regarding the Company's adjustments must explain whether they are contested or uncontested, and explain any differences in uncontested adjustments.

In addition, to ensure consistency in evaluating mathematical calculations, all parties' calculations must identify and rely on a "hard" rate of return rounded to 2 digits (*e.g.*, 8.22 percent) and a "hard" conversion factor rounded to 6 digits (*e.g.*, 0.620919). Finally, all parties submitting accounting exhibits that rely on formulae must ensure each formula is accessible in an "unlocked" version of the spreadsheet, database, or other supporting exhibit.

Bench Request No. 3: Please re-file the following exhibits along with the electronic worksheets supporting all calculations contained therein, updated to reflect the adjustments you request the Commission to approve in its Final Order:

PSE—Mr. Story: Exhibit JHS-16

PSE—Mr. Stranik: Exhibit MJS-14

Public Counsel—Mr. Dittmer: Exhibits JRD-2C and JRD-3C

Staff—Ms. Breda: Exhibits KHB-2 and KHB-3

Please ensure that the re-filed exhibits include electronic versions of all spreadsheets with figures that link to the underlying formulas, not simply to calculated values. These re-submitted file(s) must be in Excel format and include all linked files with all formulas and formatting in every spreadsheet intact (formulas not converted to values or otherwise modified from original).

Please identify each adjustment using the descriptions and adjustment numbers included in Exhibits KHB-2 and KHB-3, to the extent possible. For example, Electric Revenues & Expenses—Adjustment 10.02; Gas Revenues & Expenses—Adjustment 9.02. If you advocate adjustments not identified in Ms. Breda's exhibits, assign each a unique alphanumeric identifier (*e.g.*, Public Counsel's proposed adjustments for corporate aircraft should be identified as PC-1 for electric and PC-2 for gas).

Sincerely,

DENNIS J. MOSS
Administrative Law Judge

cc: All Parties

[Service Date March 24, 2009]

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKET UE-090205
TRANSPORTATION COMMISSION,)	
Complainant,)	
)	
v.)	ORDER 04
)	
PACIFICORP D/B/A PACIFIC)	
POWER & LIGHT COMPANY,)	PREHEARING CONFERENCE
)	ORDER
Respondent.)	(Evidentiary Hearing set for
)	October 27 – 30, 2009)
.....)	

1 **NATURE OF PROCEEDINGS:** On February 9, 2009, PacifiCorp d/b/a Pacific Power & Light Company (PacifiCorp or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-74. The stated effective date of the tariff revisions is March 11, 2009. The proposed revisions would implement a general rate increase of \$38.5 million, or 15.1 percent.

2 At its regularly scheduled Open Meeting on February 26, 2009, the Commission suspended the filing for 10 months concluding on January 11, 2010, and set the docket for hearing. On March 2, 2009, the Commission entered a Notice of Prehearing Conference and appointed Administrative Law Judge Patricia Clark as presiding officer in this proceeding.

3 **CONFERENCE.** The Commission convened a prehearing conference in this proceeding at Olympia, Washington on March 23 2009, before Judge Clark.

4 **PARTY REPRESENTATIVES:** Katherine A. McDowell, McDowell & Rackner, PC, Portland, Oregon, and Michelle Mishoe, Legal Counsel, PacifiCorp, represent PacifiCorp. Sarah A. Shifley, Assistant Attorney General, Seattle, Washington, represents the Public Counsel Section of the Washington Office of Attorney General (Public Counsel). Donald T. Trotter and Jennifer Cameron-Rulkowski, Assistant

Attorneys General, Olympia, Washington, represent the Commission's regulatory staff (Commission Staff or Staff).¹ Irion Sanger, Davison Van Cleve, P.C., Portland, Oregon, represents the Industrial Customers of Northwest Utilities (ICNU). Brad Purdy represents The Energy Project. A complete list of party representatives and their contact information is attached to this Order as Appendix A.

5 **PETITIONS FOR INTERVENTION.** On March 13, 2009, The Energy Project filed a petition to intervene. The petition was not opposed. Moreover, the petitioner demonstrated a substantial interest in this proceeding and that its participation will be in the public interest. *WAC 480-07-355*. The petition to intervene by The Energy Project is granted.

6 **PROCEDURAL SCHEDULE.** On March 20, 2009, the parties submitted an agreed-upon procedural schedule to discuss during the prehearing conference. The Commission commends the parties for undertaking the effort to reach agreement on a procedural schedule in advance of the prehearing conference. The Commission adopts the procedural schedule proposed by the parties, with the exception of the proposed dates for a public comment hearing. The Commission will attempt the schedule the public comment for one of the dates proposed by the parties, but is unable to confirm its ability to do so at this time. The schedule proposed by the parties takes into consideration the issues raised by the parties to these proceedings as well as the press of other regulatory business before the Commission. The procedural schedule is set forth in Appendix B to this Order.

7 *Supplemental Filing.* In general rate case proceedings, the Commission ordinarily issues two bench requests shortly after the first prehearing conference regarding the Company's revenue requirement filings. In an effort to expedite the distribution of this information, the Commission requested the supplemental information during the course of the prehearing conference. Specifically, the Commission requested that PacifiCorp provide the direct testimony exhibit of R. Bryce Dalley, RBD-3 in a separate electronic spreadsheet file. The file(s) must be in Excel format. The filing

¹ In formal proceedings, such as this, the Commission's regulatory staff functions as an independent party with the same rights, privileges, and responsibilities as other parties to the proceeding. There is an "*ex parte* wall" separating the Commissioners, the presiding

must include all linked files with all formulas and formatting in every spreadsheet intact (formulas not converted to values or otherwise modified from original). This information should be provided on a CD. In addition, the Commission requested that the Company provide electronic spreadsheet files for any other exhibits that flow into the results of operations including all adjustments furnished by other witnesses. The files(s) must be in Excel format and include all linked files with all formulas and formatting in every spreadsheet intact (formulas not converted to values or otherwise modified from original). This information should also be provided on a CD. During the course of the prehearing conference, the Commission established a deadline of **April 2, 2009**, for submitting the supplemental information.

- 8 *Prefiled Testimony and Exhibits.* The Commission's rule, WAC 480-07-510(1), governs the content of Company submissions for requests for general rate relief. That rule requires the Company to submit an exhibit with results of operations statement that demonstrates test year actual results together with restating and *pro forma* adjustments supporting the requested rate increase.
- 9 To ensure consistency in the comparison of the Company's filing with the filings of other parties, the Commission requires intervenors, Public Counsel, and Staff to prepare their testimony and exhibits starting with the results of operations that show test year actual results (or "per books.") The party should state whether the Company's restating and *pro forma* adjustments are contested or uncontested. If contested, the party must state the basis for the disagreement and how that adjustment should be modified. This ruling is not intended to restrict parties to an analysis of the issues raised by the Company. The other parties to this proceeding may propose any new adjustments or raise any issues that they deem fit for the Commission's consideration.
- 10 The parties should follow the foregoing format when presenting cross-answering testimony and rebuttal testimony. That is, each party should state whether other parties' adjustments are contested or uncontested, the basis for the disagreement, and how other parties' proposed adjustments should be modified.

- 11 During the prehearing conference, the Commission further determined, for the purpose of consistent comparison, that each party's proposed rate of return should be rounded to two decimal points and that the conversion factor should constitute six digits.
- 12 *Public Notice.* Public Counsel is required to submit, by **April 21, 2009**, a status report concerning its efforts to reach consensus with Staff and PacifiCorp on the content and format of any public notice PacifiCorp is required to issue in connection with these proceedings.
- 13 *Cross-Examination Exhibits.* According to WAC 480-07-460(1), the Commission may require the parties to predistribute their cross-examination exhibits. It has been the Commission's practice to require the predistribution of cross-examination exhibits and to establish a deadline for that predistribution. In recent cases, the predistribution of cross-examination exhibits after the deadline established by the Commission has presented problems for both the Commission and other parties to the proceeding. To ensure that the parties and the Commission have adequate time to prepare for hearing and review proposed cross-examination exhibits, the Commission will enforce WAC 480-07-460(1)(c) and may exclude cross-examination exhibits distributed after the deadline absent a showing of good cause for the delay in timely predistributing such proposed exhibits. The deadline for filing cross-examination exhibits is **October 22, 2009**.
- 14 *Public Comment Hearing.* The parties requested that the Commission conduct a public comment hearing in this proceeding in Yakima, Washington. The Commission concludes that a public comment hearing should be conducted in Yakima. The Commission will attempt to accommodate the parties' request that the hearing be conducted on either October 12, 13, or 14, 2009. A separate notice of public comment hearing will be issued closer to the hearing date to remind members of the public of their opportunity to present oral comments.
- 15 **NOTICE OF HEARING.** The Commission will hold evidentiary hearings in this matter beginning, **October 27, 2009**, at 9:30 a.m., and continuing thereafter, as necessary, on **October 28, October 29, and October 30, 2009**, in the Commission's

Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.

- 16 **NOTICE OF PREHEARING CONFERENCE.** The Commission will convene a prehearing conference in this matter on **October 23, 2009, at 1:30 p.m.**, in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington, to mark exhibits, including exhibits on cross examination, if any, and to address any procedural matters that the parties may present. If no matters warrant attention, the conference will be cancelled.
- 17 **DOCUMENT PREPARATION AND FILING REQUIREMENTS.** Parties must file the original plus **20 copies** of the unredacted versions of all pleadings, motions, briefs, and other prefiled materials. Parties must also file the original and 1 copy of any redacted version(s). These materials must conform to the format and publication guidelines in WAC 480-07-395 and WAC 480-07-460. The Commission prefers that materials be three-hole punched with *oversized* holes to allow easy handling. The Commission may require a party to refile any document that fails to conform to these standards.
- 18 All filings must be mailed or delivered to the Executive Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, 1300 S. Evergreen Park Drive, S.W., Olympia, Washington 98504-7250. Both the post office box and street address are required to expedite deliveries by the U.S. Postal Service.
- 19 **ELECTRONIC SUBMISSION OF DOCUMENTS.** Electronic versions of all documents must be filed in accordance with WAC 480-07-140(6). Specifically, all documents must be filed in .pdf (Adobe Acrobat) format, supplemented by a separate file in .doc (MS Word), .wpd (WordPerfect), .xls (Excel), or .ppt (Power Point) format.
- 20 A copy of all filings must be provided through the Commission's Web Portal (www.utc.wa.gov/e-filing) or by e-mail delivery to records@utc.wa.gov. Alternatively, parties may furnish an electronic copy by delivering with each filing a 3.5-inch IBM-formatted high-density diskette or CD including the filed document(s). Parties must furnish electronic copies in MS Word 6.0 (or later) supplemented by a

separate file in .pdf (Adobe Acrobat) format. Parties must follow WAC 480-07-140(5) in organizing and identifying electronic files.

- 21 According to WAC 480-07-145(6), the parties may electronically submit documents to the Commission provided the electronic submission is received by 3:00 pm on the filing deadline and the Commission receives the original and required number of copies by 12:00 pm on the following business day.. Parties must submit documents through the Commission's Web Portal (www.utc.wa.gov/e-filing) or by e-mail to records@utc.wa.gov, and file an original, plus 19 paper copies, of the documents with the Commission by the following business day. Parties must provide courtesy copies of their electronic submissions to the presiding administrative law judge at pclark@utc.wa.gov and to the parties to the proceeding.
- 22 **ALTERNATE DISPUTE RESOLUTION.** The Commission supports the informal settlement of matters before it. Parties are encouraged to consider means of resolving disputes informally. The Commission does have limited ability to provide dispute resolution services; if you wish to explore those services, please call the Director, Administrative Law Division, at 360-664-1144.
- 23 **NOTICE TO PARTIES: A party who objects to any portion of this Order must file a written objection within ten (10) calendar days after the service date of this Order, pursuant to WAC 480-07-430 and WAC 480-07-810. The service date appears on the first page of the order in the upper right-hand corner. Absent such objection, this Order will control further proceedings in this matter, subject to Commission review.**

Dated at Olympia, Washington, and effective March 24, 2009.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

PATRICIA CLARK
Administrative Law Judge

APPENDIX A

PARTIES' REPRESENTATIVES
DOCKET UE-090205

PARTY	REPRESENTATIVE	PHONE	FACSIMILE	E-MAIL
PacifiCorp	Katherine A. McDowell McDowell & Rackner, PC 520 SW 6 th Avenue, Suite 830 Portland, Oregon 972024	503-595-3924	503-595-3928	katherine@mcd-law.com
	Michelle Mishoe Legal Counsel PacifiCorp d/b/a Pacific Power & Light Company 825 NE Multnomah, Suite 1800 Portland, Oregon 97232	503-813-6840	503-813-7252	michelle.mishoe@pacificcorp.com
Commission Staff	Donald T. Trotter Jennifer Cameron-Rulkowski 1400 S. Evergreen Park Dr. SW P.O. Box 40128 Olympia, WA 98504-0128	360-664- 1189 360-664-1186	360-586-5522 360-586-5522	dtrotter@utc.wa.gov jcameron@utc.wa.gov
Public Counsel	Sarah A. Shifley Public Counsel Section Office of Attorney General 800 Fifth Avenue, Suite 2000 Seattle, WA 98104-3188	206-464-6595	206-389-2058	sarah.shifley@atg.wa.gov
Industrial Customers of Northwest Utilities (ICNU)	Irion Sanger Davison Van Cleve, P.C. 333 S.W. Taylor, Suite 400 Portland, OR 97204	503-241-7242	503-241-8160	IAS@DVCLaw.com
The Energy Project	Brad Purdy Attorney At Law 2019 N. 17 th Street Boise, Idaho 83702	208-384-1299	208-384-8511	bmpurdy@hotmail.com

**APPENDIX B
PROCEDURAL SCHEDULE
DOCKET UE-090205**

<u>EVENT</u>	<u>DATE</u>	<u>INTERVAL (Days)</u>
Company Direct Testimony and Exhibits	February 9, 2009	52 days
Supplemental Filing by PacifiCorp²	April 2, 2009	19 days
Public Notice Report	April 21, 2009	100 days
Issue Discussion/Settlement Conference (parties only)	July 30, 2009, and continuing thereafter, as necessary, on July 31, 2009	
Public Comment Hearing in Yakima, Washington	TBD	
Staff, Public Counsel and Intervenor Responsive Testimony and Exhibits	August 28, 2009 ³	29 days
Company Rebuttal Testimony and Exhibits Staff, Public Counsel and Intervenor Cross-Answering Testimony and Exhibits	September 28, 2009 ⁴	31 days
Deadline for Cross-examination Exhibits	October 22, 2009	24 days

²See Paragraph 7 of this Order.

³ After August 28, 2009, responses to data requests are due seven business days after receipt.

⁴ After September 28, 2009, responses to data requests are due five business days after receipt.

<u>EVENT</u>	<u>DATE</u>	<u>INTERVAL</u> <u>(Days)</u>
Prehearing Conference	October 23, 2009	1 day
Evidentiary Hearing	October 27, 28, 29, and 30, 2009	4 days
Simultaneous Post-hearing Briefs	November 24, 2009	28 days
Suspension Date	January 11, 2009	48 days