

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	DOCKETS UE-120436 and
TRANSPORTATION COMMISSION,	)	UG-120437 ( <i>Consolidated</i> )
	)	
Complainant,	)	ORDER 06
	)	
v.	)	ORDER GRANTING REQUEST FOR
	)	CLARIFICATION OF THE
AVISTA CORPORATION d/b/a	)	COMMISSION’S REQUIREMENTS
AVISTA UTILITIES,	)	FOR PRESENTATION OF
	)	ADJUSTMENTS
Respondent.	)	
.....	)	
WASHINGTON UTILITIES AND	)	DOCKETS UE-110876 and
TRANSPORTATION COMMISSION,	)	UG-110877 ( <i>Consolidated</i> )
	)	
Complainant,	)	ORDER 11
	)	
v.	)	ORDER GRANTING REQUEST FOR
	)	CLARIFICATION OF THE
AVISTA CORPORATION d/b/a	)	COMMISSION’S REQUIREMENTS
AVISTA UTILITIES,	)	FOR PRESENTATION OF
	)	ADJUSTMENTS
Respondent.	)	
.....	)	

1 **NATURE OF PROCEEDINGS:** On April 2, 2012, Avista Corporation d/b/a Avista Utilities (Avista or the Company) filed revisions to its currently effective Tariff WN U-28, Electric Service in Docket UE-120436 and revisions to its currently effective Tariff WN U-29, Gas Service in Docket UG-120437. Avista requests an electric rate increase of \$41.0 million, or 9.0 percent, and a gas rate increase of \$10.1 million or 7.0 percent. In addition, Avista filed tariff Schedule 93, which reflects a proposed one-year Energy Recovery Mechanism bill decrease, or rebate, to electric customers of \$13.6 million (about 2.9 percent). On May 14, 2012, the Washington Utilities and

Transportation Commission (Commission) entered Order 03/08<sup>1</sup> consolidating Dockets UE-120436 and UG-120437 with the second phase of Dockets UE-110876 and UG-110877, which raises the issue of full decoupling for the Company.

- 2 On June 11, 2012, the Commission issued Bench Request Nos. 1 and 2 (Notice), seeking electronic spreadsheets for various Company exhibits, to be filed in Excel format, including all linked files with all formulas and formatting in every spreadsheet intact. The Notice also asks that all other parties:

...provide electronic spreadsheet files for any other exhibits that flow into the results of operations including all adjustments furnished by other witnesses. The file(s) must be in Excel format. Include all linked files with all formulas and formatting in every spreadsheet intact.<sup>2</sup>

- 3 **MOTION FOR CLARIFICATION ON REQUIREMENTS FOR PRESENTATION OF RATE CASE ADJUSTMENTS.** On June 12, 2012, the Public Counsel Section of the Washington State Attorney General (Public Counsel) filed a request for clarification regarding the Commission's requirements for presentation of adjustments (Motion).<sup>3</sup> The Prehearing Conference Order, entered on May 14, 2012, mandated that "[a]ll adjustments will be based on Avista's test year actual results (or "per books")."<sup>4</sup> Public Counsel asks that the Commission issue detailed instructions, similar to those issued in Dockets UE-090704 and UG-090705 (consolidated) and Docket UE-090205, regarding the Commission's expectations and requirements for the presentation of adjustments. Public Counsel maintains that this additional guidance will result in the parties presenting the best evidence upon which the Commission may evaluate the Company's filing. In addition, Public Counsel argues that further clarity on the Commission's filing requirements will prevent the need for

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<sup>1</sup> The dual order number is the result of consolidation.

<sup>2</sup> Notice, at 1.

<sup>3</sup> Pursuant to WAC 480-07-375(1), the Commission will view this request as a Motion.

<sup>4</sup> Order 03/08, ¶ 10.

parties to re-file spreadsheets in the future.<sup>5</sup> The time for responding to Public Counsel's Motion has passed, and none of the parties objected to its request.<sup>6</sup>

4 ***Discussion/Decision.*** In the interest of obtaining the most useable and comprehensive spreadsheets from each party and for each adjustment, we find that Public Counsel's Motion should be granted and provide the following clarification.

5 To properly evaluate testimony filed in this proceeding, the Commission requires parties to file electronic spreadsheets that illustrate results of operations and rate base, as well as all adjustments made to the Company's per-book figures demonstrating the conversion from per-book results to the parties' *pro forma* results of operations. Any party that does not file a full results-of-operations case but rather makes limited or scoped recommendations to the Commission must ensure that the party's witnesses provide testimony and supporting spreadsheets that provide not only the basis for the proposed adjustment but the proposed adjustment's impact on rate base, net operating income, and revenue requirement.

6 ***Prefiled Testimony and Exhibits.*** The Commission's rule, WAC 480-07-510(1), governs the content of Company submissions requesting general rate relief. That rule requires the Company to submit an exhibit with a results-of-operations statement that demonstrates test year actual results together with restating and *pro forma* adjustments supporting the requested rate increase.

7 To ensure consistency in the comparison of the Company's filing with the filings of other parties, the Commission requires intervenors, Public Counsel, and the Commission's regulatory staff to prepare their testimony and exhibits from a common starting point, and in this case, the starting point will be the "per books" filing made by Avista. Further, for ease of tracking, all parties submitting testimony regarding any of the Company's adjustments must explain whether the testimony is contesting or supporting the Company's adjustment. If contested, the witness must state the basis for the disagreement and clearly state the witness's proposal, including the

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<sup>5</sup> Public Counsel does not suggest that the Commission require Avista to re-file any of its original rate case at this time.

<sup>6</sup> WAC 480-07-375(4).

proposal's impact on rate base, net operating income, and revenue requirement. We further require that each adjustment proposed by a party be identified using the descriptions and adjustment numbers included in the Company's filing. The adjustment number should also include a prefix of the appropriate service segment as either electric (E) or gas (G) (e.g., Regulatory Expense—Adjustment E2.03; Pro Forma Property Tax G3.04).

- 8 We do not restrict parties to an analysis of only the issues the Company has raised. A party may propose new adjustments or raise its own issues. However, if a party advocates adjustments not identified in the Company filing, the party must assign each proposed adjustment with a unique alpha-numeric identifier that identifies party and segment (e.g., a Public Counsel proposed adjustment could be identified as PC-E-01 for electric and PC-G-01 for gas).
- 9 In addition, to ensure consistency in evaluating mathematical calculations, all parties' calculations must clearly 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).
- 10 *Confidentiality.* All parties submitting accounting exhibits that rely on formulas must ensure each formula is accessible in an "unlocked" version of the spreadsheet, database, or other supporting exhibit. A party may file a document with locked or password protected cells only if necessary to protect the confidentiality of the information within the cells or proprietary information in the document. The party shall designate that portion of the document as confidential under RCW 80.04.095, WAC 480-07-160, and/or the protective order issued in this proceeding. However, consistent with WAC 480-07-510(3), the party shall provide to any person who has signed an appropriate confidentiality agreement and to the Commission any required password(s) upon request.

**ORDER**

- 11 The Motion for Clarification Regarding the Commission's Requirements for Presentation of Adjustments filed by the Public Counsel Section of the Washington Office of Attorney General is granted.

Dated at Olympia, Washington, and effective June 20, 2012.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARGUERITE E. FRIEDLANDER  
Administrative Law Judge