

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,)	DOCKET NOS. UE-140188 and
)	UG-140189 (<i>consolidated</i>)
)	
Complainant,)	INDUSTRIAL CUSTOMERS OF
)	NORTHWEST UTILITIES' RESPONSE
v.)	IN SUPPORT OF PUBLIC COUNSEL'S
)	MOTION TO STRIKE CERTAIN
AVISTA CORPORATION, d/b/a/ AVISTA UTILITIES,)	TESTIMONY AND EXHIBITS FILED
)	BY AVISTA
)	
Respondent.)	

I. INTRODUCTION

1 The Industrial Customers of Northwest Utilities (“ICNU”) responds in support of
Public Counsel’s Motion to Strike Certain Testimony and Exhibits Filed by Avista (“Motion” or
“Motion to Strike”), and respectfully asks the Washington Utilities and Transportation
Commission (“WUTC” or the “Commission”) to grant Public Counsel’s Motion.

II. DISCUSSION

2 Public Counsel objects to Avista testimony and exhibits pertaining to a 2016
attrition study which are provided expressly “for information only,” bear no relationship to any
rate relief sought in this docket, and have the potential to mislead, distract, confuse, and waste
time.^{1/} ICNU fully supports Public Counsel in urging the Commission to exclude testimony and
exhibits related to the 2016 attrition study, as “too remote.”^{2/} Avista is seeking rate relief for
2015, has submitted a 2015 attrition study and other information regarding its 2015 rate year

^{1/} Motion at ¶¶ 1–5.

request, and explicitly disavows any request for any rate relief in 2016.^{3/} Allowing testimony and exhibits pertaining to beyond rate year “information” confuses the issues in this case without providing any incremental benefits.

3 While the WUTC allows pro forma adjustments beyond the test period, they must be known and measurable and in place during the rate period.^{4/} In fact, the Commission asserts that, “[w]ith very limited exceptions the plant must be in service by no later than the end of the rate *proceeding* if it is to be allowed in rate base.”^{5/} In sum, the WUTC will very rarely allow adjustments for plant going into service after a rate proceeding, and does not allow adjustments extending beyond a rate period.

4 Hence, mere “information” regarding Avista’s beyond rate period, 2016 attrition study is irrelevant, and can only confuse proper analysis in this proceeding. Thus, while approving a settlement establishing rate increases for Avista in 2013 and 2014,^{6/} the Commission did not reference any information—attrition or otherwise—extending beyond the two-year rate period approved in that docket.^{7/}

5 Moreover, current uncertainty and confusion regarding Avista’s 2015, within the rate year attrition analysis will only be accentuated if *beyond* rate year “information,” related to the 2016 attrition study, is not excluded. ICNU has serious concerns regarding the known and

^{2/} Id. at ¶ 5.

^{3/} Id. at ¶¶ 2-3.

^{4/} WUTC v. Avista, Docket No. UE-090134, Order 10 at n. 40, ¶ 45 (Dec. 22, 2009).

^{5/} Id. at ¶ 48 (emphasis added).

^{6/} As the Commission noted, ICNU did not believe that any rate increases were attributable to a finding of attrition, and would not have been a party to the settlement if such a finding had been included. WUTC v. Avista, Docket No. UE-120436, Order 09 ¶ 53, n. 70 (Dec. 26, 2012).

^{7/} E.g., id. at ¶¶ 10–11, 70-73.

measurable quality of Avista’s alleged 2015 rate year capital additions; remote projects unrelated to the rates in question only exacerbate the speculative nature of Avista’s rate filing.

6 For instance, Avista has provided discovery responses indicating at least three different levels of potential capital additions, although Avista includes the highest potential in testimony.^{8/} The uncertainty over 2015 capital additions is apparent even in Avista testimony, which projects rate year capital expenditures not upon a known and measurable basis, but “through a trending analysis.”^{9/} Capital expenditures should be known and identifiable. It is inappropriate to “trend” such large expenditures for ratemaking purposes. Accordingly, the Commission and parties will be burdened enough just to investigate the reliability of alleged 2015 costs, never mind the added distraction of a 2016 study included “for information only.”

7 Evidence regarding issues not within the scope of a proceeding constitutes grounds upon which the WUTC will grant a motion to strike.^{10/} Specifically, the Commission should grant a motion to strike issues which will not be fully developed in a proceeding, or upon which a rate determination will not be made: “determination of what accounting and rate treatments are appropriate ... should be made on the basis of a fully developed record on the issues.”^{11/} As no one contends 2016 rates will be determined or fully developed in this proceeding, exclusion of such issues is appropriate and will not harm Avista customers.^{12/}

8 ICNU respectfully submits that the Commission should exercise its discretion in this matter with due respect to both WUTC and Washington evidentiary precedence, as noted

^{8/} E.g., Avista Responses to Public Counsel Data Request Nos. 136, 22.

^{9/} DeFelice, Exhibit DBD-1T at 5:16–18.

^{10/} AT&T Commc’ns of the Pac. Nw., Inc., v. Verizon Nw., Inc., Docket No. UT-020406, Fifth Suppl. Order, 2003 Wash. UTC LEXIS 56 at *20–21 (Feb. 21, 2003).

^{11/} WUTC v. Puget Sound Energy, Inc., Docket No. UE-090704, Order 10 at ¶ 11 (Jan. 8, 2010).

^{12/} Id.

herein and as cited by Public Counsel.^{13/} In this case, the proper means of determining fair, just, reasonable and sufficient rates is to exclude beyond rate period Avista testimony and exhibits which have a tendency to mislead, distract, confuse, waste time, and are too remote for useful consideration and constitute an undue burden to the parties and the Commission.

III. CONCLUSION

9 WHEREFORE, for the reasons stated above, ICNU respectfully asks that the Commission grant Public Counsel's Motion to Strike.

Dated in Portland, Oregon, this 14th day of July, 2014.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.



Melinda J. Davison
Joshua D. Weber
333 S.W. Taylor, Suite 400
Portland, Oregon 97204
(503) 241-7242 telephone
(503) 241-8160 facsimile
mjd@dvclaw.com
jdw@dvclaw.com
Of Attorneys for Industrial Customers
of Northwest Utilities

^{13/} Motion at ¶ 5, n.5.