

BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON

UG-201

In the matter of the Application of)
AVISTA CORPORATION, DBA)
AVISTA UTILITIES for a)
General Rate Increase in the)
Company's Oregon Annual Revenues)

AVISTA CORPORATION'S MOTION
FOR LEAVE TO FILE SUPPLEMENTAL
TESTIMONY AND EXHIBITS

1 COMES NOW Avista Corporation (hereinafter "Avista" or the "Company"), and pursuant to
2 OAR 860-001-420, files this Motion for leave to file supplemental direct testimony and exhibits in
3 the above-captioned matter:

4 I.

5 On September 30, 2010, Avista filed tariff revisions designed to effectuate a general rate
6 increase of \$5,446,000 (or 5.6%) for its Oregon natural gas customers. This filing was supported by
7 prefiled testimony and exhibits supporting the requested increase. The tariff sheets were suspended
8 by Order of this Commission on October 20, 2010. A prehearing conference was held on October
9 25, 2010, at which time an agreed-upon schedule was adopted, in which Staff and Intervenor are to
10 file opening testimony on February 16, 2011. (See Prehearing Conference Memorandum, issued
11 October 26, 2010)

12 II.

13 Subsequent to the date of the Company's filing, it became aware of the need to correct for an
14 error in the federal income tax (FIT) amount included in the filing and to update for the forecasted
15 number of customers and usage levels expected for 2011, which will affect the "Forecast Revenue"

1 adjustment included in the filing. This is more fully explained in the attached "Supplemental Direct
2 Testimony of Elizabeth M. Andrews" (Exh. 1000), and Exh. 1001, which are the subject of this
3 Motion. More particularly, the purpose of the testimony and exhibit is to update the accounting and
4 financial data supporting the Company's justified natural gas revenue requirement for the following
5 adjustments: 1) to adjust the Company's 2009 historical test period results of operations to correct
6 the federal income tax (FIT) amount for an error that came to the Company's attention after the time
7 it filed its original prefiled direct evidence on September 30, 2010; 2) to include the flow through
8 impact on state income tax (SIT) of the FIT correction, in the "SIT-FIT" restating adjustment; and 3)
9 to update the Company's pro forma "Forecast Revenue" adjustment to reflect an update to the
10 Company's forecasted number of customers and customer usage expected for 2011. The net effect
11 of the FIT/SIT correction and updated forecast information increases Avista's justified revenue
12 requirement from \$5.446 million to \$6.429 million.

13 The net increase is derived as follows: The supplemental testimony (Exh. 1000) and Exhibit
14 1001 increases the Company's natural gas revenue requirement by \$1.357 million for the FIT
15 correction to the 2009 actual test period results, and by an additional \$192,000 for the corresponding
16 flow through impact to the "SIT-FIT" restating adjustment. However, the Company's natural gas
17 revenue requirement is decreased by \$566,000 by including the revised pro forma "Forecast
18 Revenue" adjustment updated to reflect the most-recent forecasted number of customers and
19 customer usage planned for 2011, which was not available at the time of the Company's initial
20 filing. The net impact of these adjustments increases the Company's justified revenue requirement
21 by \$983,000 from that originally filed.

22 III

23 It is important to note, however, that the Company is not revising its tariff filing to request
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1 additional rate relief beyond the originally requested \$5.446 million. While the net effect of these
2 corrections would increase the demonstrated need for rate relief to \$6.429 million, the Company has
3 not changed its request for rate relief of \$5.446 million by virtue of this supplemental filing.

4 IV.

5 No party will be unduly prejudiced by this filing of supplemental information. As noted, the
6 filing date for opening testimony of Staff and other Intervenors is February 16, 2011 – i.e. more
7 than two and one-half months from now, which should provide ample time for any additional
8 discovery. More importantly, this supplemental testimony serves to bring to the attention of the
9 Staff and other parties certain errors and necessary revenue forecast updates early enough in the
10 process so that these matters can be included in their analysis. In this fashion, this will expedite
11 their review and facilitate the efficient processing of this case.

12 V.


13 The undersigned has contacted all parties to this proceeding concerning the subject of this
14 Motion, and no party objects.

15 VI.

16 WHEREFORE, for the foregoing reasons, Avista respectfully requests leave to file the
17 Supplemental Direct Testimony of Elizabeth M. Andrews (Exh. 1000) and accompanying Exhibit
18 1001.

Respectfully Submitted this

2nd day of December 2010, by



David J. Meyer
Chief Counsel for Regulatory and Governmental Affairs
Avista Corporation