



**Avista Corp.**

1411 East Mission P.O. Box 3727  
Spokane, Washington 99220-0500  
Telephone 509-489-0500  
Toll Free 800-727-9170

September 1, 2017

Public Utility Commission of Oregon  
Attn: Filing Center  
201 High St. SE, Ste. 100  
Salem, OR 97301

**RE: Docket No. UG-325 – Joint Brief in Response to August 25, 2017 Bench Request**

Please find attached for filing with the Commission an electronic copy of the Joint Brief in Response to the August 25, 2017 Bench Request in Docket UG-325.

Please direct any questions regarding this filing to Patrick Ehrbar at (509) 495-8620.

Sincerely,

A handwritten signature in black ink, appearing to read "David J. Meyer", is positioned above the printed name.

David J. Meyer  
Vice President and Chief Counsel for Regulatory  
and Governmental Affairs

Enclosure



1 Mr. Moore's testimony was a part of Staff's Opening Testimony. Both Staff and CUB, in their  
2 opening testimony, noted concern with the level of detail and documentation supporting the capital  
3 projects included in the Company's filed case. Exhibit Staff/800, Moore/10-11; CUB/100,  
4 McGovern/16. Both sought additional documentation for the individual projects and both noted  
5 that some of the requested information was outstanding at the time the Opening Testimony was  
6 filed. Exhibit Staff/800, Moore/11; Exhibit Staff/803, Moore/11; Exhibit Staff/805; and Exhibit  
7 CUB/100, McGovern/16. Avista reviewed all of the Parties' Opening Testimony, and provided its  
8 rebuttal to that testimony in its Reply Testimony, filed on April 6, 2017.

9 In response to these concerns, Avista's Reply Testimony acknowledged that certain of the  
10 growth-related projects (the Granite Hill Road Project and a portion of the Bonanza Development  
11 Project, as well as a portion of the proposed adjustment for Old Midland Development Project)  
12 identified by Mr. Moore should be removed from this case. Additionally, in response to Mr.  
13 Moore's other concerns regarding the timing and need for projects, Avista's Reply Testimony  
14 included testimony from the Company's Vice President of Energy Delivery, Heather Rosentrater,  
15 which details the need for each specific capital investment. Further, Company witness Kelly  
16 Norwood, on reply, addressed Mr. Moore's concerns regarding the comparison of Avista with  
17 other natural gas utilities in Oregon in terms of capital spending.

18 Staff witness Moore reviewed each capital project to determine whether sufficient evidence  
19 justifying the projects was provided. Staff performed a "deep-dive" analysis on 17 individual  
20 projects, including extensive discussion about those select projects with Avista personnel. Staff  
21 witness Moore also performed a trend analysis of ongoing, programmatic projects to establish that  
22 they were within reasonable spending norms of recent years. With the additional information  
23 provided by the Company following Staff's Opening Testimony, and in the context of the

1 Stipulation, Staff believes that the stipulated amount for Utility Plant in Service represents  
2 prudently incurred capital spending.

3 It was the combination of Avista's originally-filed case, documentation exchanged in  
4 discovery, Staff and Intervenor's Opening Testimony, and Avista's Reply Testimony that  
5 ultimately informed the Parties going into settlement discussions, and which ultimately formed the  
6 basis for the Settlement Stipulation. The Parties arrived at a level of plant investment to be  
7 recovered through this rate case after an extensive review of individual projects. In the Settlement,  
8 the Parties are supporting plant that will be in service and used and useful at the beginning of the  
9 rate effective period. (See the Declarations of Staff Witness Mr. Moore and Company Witness Mr.  
10 Ehrbar.)

11 Therefore, the Settlement Stipulation only includes plant that will be used and useful and  
12 in service. In fact, for these items that Staff and Intervenor's expressed concerns about their used  
13 and useful nature, such items were either removed entirely from the revenue requirement, or an  
14 officer attestation requirement was established, to verify that such plant would, in fact, be in service  
15 before rates became effective. By way of illustration, Table No. 1 below, derived from information  
16 already in the record,<sup>1</sup> reflects projects identified by Staff in its Opening Testimony as potentially  
17 requiring adjustment as well as Avista's position in Reply Testimony and final resolution in the  
18 Settlement:

---

<sup>1</sup> Table No. 1 combines portions of Table Nos. 1 and 2 from Avista/1400, Machado, page 3 and page 7, respectively.

**Table No. 1**

|  | [A]                               | [B]                     | [C]               | [D] = [B] + [C]           |
|--|-----------------------------------|-------------------------|-------------------|---------------------------|
|  | OPUC Staff                        | Avista Reply            | Agreed-Upon       |                           |
| Title  | Litigated Position <sup>(1)</sup> | Position <sup>(1)</sup> | Settlement        | Settlement <sup>(2)</sup> |
|  |                                   |                         | Adjustments       |                           |
|  | (values in '000s)                 |                         |                   |                           |
| <b>I. <u>IS/IT and General Plant (adj. p of Table No. 1 of Stipulation)</u></b>  |                                   |                         |                   |                           |
| ER 5121 - Microwave Replacement with Fiber   | \$ (122)                          | \$ (122)                |                   | \$ (122)                  |
| ER 7127 - Compressed Natural Gas Fleet Conversion  | (5)                               | (5)                     |                   | (5)                       |
| ER 2856 - Meter Data Management  | (2,470)                           | (155)                   |                   | (155)                     |
| ER 5006 - Technology Expansion Program   | (1,097)                           | (237)                   | (860)             | (1,097)                   |
| ER 5005 - Information Technology Refresh Program   | (557)                             |                         |                   | -                         |
| ER 5010 - Enterprise Business Continuity   | (34)                              |                         |                   | -                         |
| ER 5106 - Next Generation Radio System   | (254)                             |                         | (254)             | (254)                     |
| ER 5144 - Mobility in the Field  | (60)                              |                         |                   | -                         |
| ER 7001/7003 - Structures and Improvements<br>and Furniture  | (34)                              |                         |                   | -                         |
| ERs 7005/7006 - Capital Tools and Stores Equipment   | (134)                             |                         |                   | -                         |
| ER 7126/7131 Long Term Campus Restructuring Plan   | (871)                             |                         | (871)             | (871)                     |
| Additional IS/IT and General Plant adjustment per settlement   |                                   |                         | (500)             | (500)                     |
| Reconciling item   |                                   |                         |                   | (5)                       |
| Subtotal - IS/IT and General Plant   | (5,638)                           | (519)                   | (2,485)           | (3,009)                   |
| <b>II. <u>Cost Allocation (adj. q of Table No. 1 of Stipulation)</u></b>   |                                   |                         |                   |                           |
| Allocation Plant Adjustment  | (3,513)                           | (236)                   | (1,213)           | (1,449)                   |
| Subtotal - Cost Allocation   | (3,513)                           | (236)                   | (1,213)           | (1,449)                   |
| <b>III. <u>Utility Plant in Service (adj. r of Table No. 1 of Stipulation)</u></b>   |                                   |                         |                   |                           |
| Bonanza Development  | (740)                             | (740)                   |                   | (740)                     |
| Granite Hill Road  | (27)                              | (27)                    |                   | (27)                      |
| Old Midland Development  | (658)                             | (147)                   |                   | (147)                     |
| 2017 New Growth - Residential  | (3,513)                           | (800)                   | (24)              | (824)                     |
| 2016 - New Growth Residential  | (2,153)                           |                         | (2,153)           | (2,153)                   |
| ER 7206 Jackson Prairie Land Purchase  | (245)                             |                         |                   | -                         |
| Management Adjustment  | (3,200)                           |                         |                   | -                         |
| Additional natural gas distribution adjustment per settlement  |                                   |                         | (1,500)           | (1,500)                   |
| Reconciling items  |                                   |                         | (6)               | (1)                       |
| Subtotal - Utility Plant in Service  | (10,536)                          | (1,714)                 | (3,683)           | (5,392)                   |
| <b>Total</b>   | <b>\$ (19,687)</b>                | <b>\$ (2,469)</b>       | <b>\$ (7,381)</b> | <b>\$ (9,850)</b>         |
| <sup>(1)</sup> Values taken from Avista/1400, Machado/page 3, Table No. 1, and Avista/1400, Machado/page 3, Table No. 2.   |                                   |                         |                   |                           |
| <sup>(2)</sup> Specific plant items are embedded in adjustments p, q, and r in Table No. 1 of the Settlement Stipulation, as reflected by each subcategory identified above. |                                   |                         |                   |                           |

The first two items in Section I. of the Table above (IS/IT and General Plant) and the first two items in Section III of the Table (Utility Plant in Service) reflect plant that was completely removed from the revenue requirement in this case, in response to Staff and Intervenor testimony. The remaining items were the subject of Direct and Reply testimony, as well as extensive discovery

1 and subsequent discussions at the all-party settlement conference. During this process, the Parties  
2 fully examined whether the plant items identified above would be in service and used and useful  
3 at the beginning of the rate period and whether the associated costs were reasonable. You will note  
4 from the Table that several plant items were removed entirely or their cost was adjusted through  
5 the settlement process. The Settlement ultimately captured only those projects that were  
6 determined to be used and useful in the rate period. Please note that three additional projects, the  
7 Pierce Road La Grande High Pressure Reinforcement, the Klamath Falls Gas High Pressure  
8 Pipeline Remediation Project, and the Meter Data Management Implementation Project, were  
9 subject to an “attestation” requirement, as discussed in the Settlement Stipulation.<sup>2</sup> These projects  
10 will not be reflected in rates unless or until such attestation has been completed. This demonstrates  
11 the extent to which the Parties scrutinized each project and required specific assurances of the used  
12 and useful nature of each.

## 13 II. Specific Projects Included in the Settlement were Reviewed for Prudency

14 The Bench Request, at page 2, further states:

15 Furthermore, by adopting the stipulation, the Commission appears to *ratify the process*  
16 *used by Avista to aim for a dollar amount of capital investment rather than approve a*  
17 *specific project or projects* as furthering the interests of the ratepayers and the public  
18 generally.

---

<sup>2</sup> As discussed on pages 12 and 13 of the Settlement Stipulation, the Parties agreed that Avista will file, prior to October 1, 2017, an officer attestation that each of these three projects are complete and have been placed in service. If one or more of these three projects is not complete and in-service by October 1, 2017, the associated revenue requirement for that project shall be removed from the test year rate base (and, therefore, from the October 1, 2017 base rate change).

Further, if one or more of these projects is not complete by October 1, 2017, but is otherwise completed and placed in service prior to November 1, 2017 (which coincides with the rate effective date for the Company’s annual Purchased Gas Adjustment and other associated filings), the Company will provide an officer attestation that the project is complete and in service. Project costs, up to the agreed-upon project revenue requirement provided in the Settlement Stipulation that is attested to as being in service by November 1, 2017 will be recovered through a separate tariff beginning November 1, 2017 (Schedule 495).

If one or more of these three projects is not complete and placed in service prior to November 1, 2017, Avista will not recover any of the capital costs associated with the project until they have been supported through a subsequent general rate filing.

1 The level of project-by-project scrutiny was discussed above. Moreover, it is important to  
2 distinguish between what Avista budgets for in terms of its annual capital expenditures versus  
3 what Avista actually includes in a general rate case. The Parties recognize that the \$405 million  
4 annual capital budget discussed by Company witness Mr. Thies (Exhibit Avista/200) is an overall  
5 budget for all of Avista’s system-wide operations – Washington, Idaho, and Oregon. Consistent  
6 with past rate case practice, which allows inclusion of rate base that will be used and useful before  
7 rates go into effect, Avista included for recovery in its filing only the plant that it believed would  
8 be placed in service prior to rates going into effect on October 1, 2017.

9 Through discovery and the process of developing testimony, Staff and Intervenor  
10 performed a thorough review of all of the capital projects included in the case, and ultimately  
11 argued that certain projects should not be included in rates. As previously discussed, Avista filed  
12 Reply Testimony otherwise supporting its capital projects (other than those for which the Company  
13 agreed with Staff or Intervenor adjustments). Through the subsequent settlement process, not only  
14 were several projects removed from the Company’s case, but the Company also agreed to a further  
15 reduction of \$2 million of rate base to effectuate a settlement agreement. This concession was not  
16 tied to specific capital projects, and was simply the result of Avista’s desire to reach a final  
17 settlement, knowing it would not earn a return on this \$2 million plant investment in this rate case.  
18 For its part, Avista continues to believe this \$2 million of capital investment will be in service and  
19 used and useful prior to October 1, 2017, even though, for purposes of settlement, it is no longer  
20 requesting recovery in this case.

21 Even if Avista had recovered this \$2 million of plant investment in this case, it still would  
22 be short of full recovery of plant in service on October 1, 2017, by an additional \$1 million as  
23 shown in Table 2 of Joint Brief. The analysis in the table below compares the level of net plant  
24 beginning with what was approved in Avista’s last general rate case (Docket No. UG-288), and

1 adds transfers to plant-in-service through the effective date (October 1, 2017) of proposed new  
 2 retail rates in this rate case (Docket No. UG-325).

3 **Table No. 2**

| <b>Reconciliation of Net Plant at October 1, 2017 to<br/>Net Plant in Settlement Agreement</b>             |           | (\$000s)       |
|--|-----------|----------------|
| a. Net Plant per Docket No. UG-288 <sup>[1]</sup>  | \$        | 205,460        |
| b. Reconciling Item Between Docket No. UG-288 and Docket No. UG-325 <sup>[2]</sup>                         |           | 3,365          |
| c. Base Period Net Plant, End-of-Period (Docket No. UG-325, Avista/601, pg. 1)                             |           | 208,825        |
| d. Net Plant Pro Forma Additions, as Filed by Avista (Docket No. UG-325, Avista/601, pg. 1) <sup>[3]</sup> |           | 26,189         |
| e. Settlement adjustments to capital projects  |           | (9,850)        |
| f. Other adjustments to net plant <sup>[4]</sup>   |           | (158)          |
| g. <b>Net Plant in Settlement Agreement</b>  | <b>\$</b> | <b>225,006</b> |
| h. Actual Net Plant per July 31, 2017 Results of Operations  | \$        | 222,515        |
| i. August/September Transfers to Plant (excluding Attestation Projects)                                    |           | 6,081          |
| j. Attestation Projects (Paragraph 10 in Settlement Stipulation)   |           | 7,275          |
| k. Net Plant, October 1, 2017  |           | 235,871        |
| l. Less: Settlement adjustments  |           | (9,850)        |
| m. <b>Adjusted Net Plant, October 1, 2017</b>  | <b>\$</b> | <b>226,021</b> |

[1] Net plant in Docket No. UG-288 includes net plant through December 31, 2015 (as well as the East Medford Reinforcement, completed February 17, 2016), on an end-of-period basis.

[2] This reconciling item accounts for the timing difference between the end-of-period net plant included in Docket No. UG-288 and the end-of-period net plant for the historical base period (12 months ended June 30, 2016) in Docket No. UG-325, reflecting plant placed in service from March 1, 2016 though June 30, 2016.

[3] This amount reflects the net rate base impact of adjustments 2.07, 2.08, and 2.09 from Avista/601, pg. 1 (\$26,199,000), less the \$10,000 net rate base adjustment associated with adjustment 3.02 (discussed at Avista/500, pg. 37-38).

[4] These adjustments are a reduction to net plant of \$170 related to pensions (adjustment k of the Settlement Stipulation), a reduction of \$27 related to wages, salaries, medical benefits, and D&O insurance (adjustment g of the Settlement Stipulation), and an offsetting increase of \$39 for depreciation and amortization (adjustment i of the Settlement Stipulation).

20 This table demonstrates that the net plant included in the Settlement Stipulation (\$225 million) is  
 21 less than the adjusted completed net plant in service and used and useful on October 1, 2017 (\$226  
 22 million), by over \$1 million. Moreover, the plant included encompasses projects/programs  
 23 reviewed by Staff and other parties, as identified in Table No. 1, demonstrating a thorough review  
 24 of the prudence of the plant that was included in the Settlement.



1           At the end of the day, Avista’s case included only used and useful plant. The Parties  
2 understand that the process by which Avista sets a capital budget is simply for the purpose of  
3 maintaining financial and accounting controls in its business, and is distinct from the transfers to  
4 plant in service that are included in this general rate case. By no means is Avista requesting that  
5 the Commission ratify its budgeting process. In fact, the Settlement reached by the Parties included  
6 discussion of individual projects and programs, informed by extensive documentation. The Parties  
7 explicitly agree that this Settlement does not ratify Avista’s budgeting process, and understand  
8 that, in accordance with ORS 757.355, only those projects that are used and useful, and serving  
9 customers, should be included in customer’s rates.

10                           **III.    The Settlement was Based on Investment in Specific Projects**

11    The Bench Request finally observed, at pages 2-3:

12           We ask the parties to address the apparent disconnect between investment in specific  
13 projects that are used and useful in providing safe and reliable service at reasonable rates  
14 and the notion that the Commission may approve a stipulation based merely on a defined  
15 budget amount for capital investment in utility plant. The former may be readily examined  
16 for prudence in meeting the requirements set down for the Commission by the Legislature  
17 in ORS 757.355, but the latter may not.

18    This has been addressed above. The Parties are not asking the Commission to approve a Stipulation  
19 based on a defined budget amount. And, the Parties appreciate the opportunity to clarify this point.

20    As noted, the Company provided extensive documentation regarding individual plant items, their  
21 cost, and their in-service date. It was only after full consideration of this information that the Parties  
22 reached an agreement on an acceptable revenue requirement associated with the specific items of  
23 capital investment that will be in service when rates go into effect on October 1, 2017. In no event  
24 does the plant included in the Settlement Stipulation reflect items that have not been reviewed for  
25 prudence by the Parties or will not be service and used and useful in providing service to customers  
26 in Oregon, when rates go into effect. (See Declarations attached.)

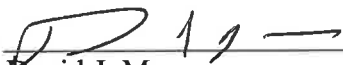
1 **IV. Conclusion**

2 In conclusion, the Parties respectfully submit this clarification on issues raised in the Bench  
3 Request, believing that the Settlement Stipulation is well-supported, and addresses concerns raised  
4 in the Bench Request. Should any questions remain, the Parties stand ready to respond.  
5

6 RESPECTFULLY SUBMITTED this 1<sup>st</sup> day of September 2017.  
7

8 AVISTA CORPORATION

STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

9  
10  
11  
12 By:  \_\_\_\_\_  
13 David J. Meyer

By: \_\_\_\_\_  
Johanna Riemenschneider

14  
15 Date: \_\_\_\_\_

Date: \_\_\_\_\_

16  
17  
18 NORTHWEST INDUSTRIAL GAS USERS

CITIZENS' UTILITY BOARD OF  
OREGON

19  
20  
21 By: \_\_\_\_\_  
22 Chad M. Stokes

By: \_\_\_\_\_  
Michael Goetz

23  
24 Date: \_\_\_\_\_

Date: \_\_\_\_\_

1 reflect items that have not been reviewed for prudence by the Parties or will not be service and  
2 used and useful in providing service to customers in Oregon, when rates go into effect. (See  
3 Declarations attached.)

4 **IV. Conclusion**

5 In conclusion, the Parties respectfully submit this clarification on issues raised in the  
6 Bench Request, believing that the Settlement Stipulation is well-supported, and addresses  
7 concerns raised in the Bench Request. Should any questions remain, the Parties stand ready to  
8 respond.

9  
10 RESPECTFULLY SUBMITTED this \_\_\_\_ day of September 2017.

11

12 AVISTA CORPORATION

STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

13

14

15

16

17

18

19

20

21

22

23

24

25

26

27

28

By: \_\_\_\_\_  
David J. Meyer

By:   
Johanna Riemenschneider

Date: \_\_\_\_\_

Date: 9/11/17

NORTHWEST INDUSTRIAL GAS USERS

CITIZENS' UTILITY BOARD OF  
OREGON

By: \_\_\_\_\_  
Chad M. Stokes

By: \_\_\_\_\_  
Michael Goetz

Date: \_\_\_\_\_

Date: \_\_\_\_\_

1 **IV. Conclusion**

2 In conclusion, the Parties respectfully submit this clarification on issues raised in the Bench  
3 Request, believing that the Settlement Stipulation is well-supported, and addresses concerns raised  
4 in the Bench Request. Should any questions remain, the Parties stand ready to respond.  
5

6 RESPECTFULLY SUBMITTED this \_\_\_\_ day of September 2017.

7  
8 AVISTA CORPORATION

STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

9  
10  
11  
12 By: \_\_\_\_\_  
13 David J. Meyer

By: \_\_\_\_\_  
Johanna Riemenschneider

14  
15 Date: \_\_\_\_\_

Date: \_\_\_\_\_

16  
17  
18 NORTHWEST INDUSTRIAL GAS USERS

CITIZENS' UTILITY BOARD OF  
OREGON

19  
20  
21 By:  \_\_\_\_\_  
22 Chad M. Stokes

By: \_\_\_\_\_  
Michael Goetz

23  
24 Date: 9/11/17

Date: \_\_\_\_\_

1 reflect items that have not been reviewed for prudence by the Parties or will not be service and  
2 used and useful in providing service to customers in Oregon, when rates go into effect. (See  
3 Declarations attached.)

4 **IV. Conclusion**

5 In conclusion, the Parties respectfully submit this clarification on issues raised in the  
6 Bench Request, believing that the Settlement Stipulation is well-supported, and addresses  
7 concerns raised in the Bench Request. Should any questions remain, the Parties stand ready to  
8 respond.

9

10 RESPECTFULLY SUBMITTED this \_\_\_\_ day of September 2017.

11

12 AVISTA CORPORATION

13

14

15

16 By: \_\_\_\_\_

17 David J. Meyer

18

19 Date: \_\_\_\_\_

20

21

22 NORTHWEST INDUSTRIAL GAS USERS

23

24

25 By: \_\_\_\_\_

26 Chad M. Stokes

27

28 Date: \_\_\_\_\_

STAFF OF THE PUBLIC UTILITY  
COMMISSION OF OREGON

By: \_\_\_\_\_

Johanna Riemenschneider

Date: \_\_\_\_\_

CITIZENS' UTILITY BOARD OF  
OREGON

By:  \_\_\_\_\_

Michael Goetz

Date: 9/1/2017

1 **BEFORE THE PUBLIC UTILITY COMMISSION**  
2 **OF OREGON**

3  
4 UG 325

5  
6 In the Matter of )  
7 AVISTA CORPORATION, dba )  
8 AVISTA UTILITIES ) DECLARATON OF PATRICK D.  
9 ) EHRBAR IN SUPPORT OF JOINT BRIEF  
10 Request for a General Rate Revision ) IN RESPONSE TO BENCH REQUEST  
11 )  
12 )  
13 \_\_\_\_\_ )

14 I, PATRICK D. EHRBAR, declare and state as follows:

15 1. I am employed as Senior Manager, Rates & Tariffs, for Avista Corporation and  
16 have personal knowledge of the facts stated below.

17 2. I have submitted testimony in this case, including Joint Testimony in Support of  
18 Stipulation (Joint Testimony/100, Gardner, et.al.).

19 3. I am submitting this Declaration in support of the Settlement filed on May 16, 2017,  
20 in this docket.

21 4. The Settlement only includes plant that will be in service and used and useful at the  
22 beginning of the rate effective period of October 1, 2017.

23 5. For those items that Staff and Intervenors expressed concerns regarding their used  
24 and useful nature, such items were either removed entirely from the revenue requirement, or an  
25 officer attestation requirement was established, to verify that such plant would, in fact, be in service  
26 before rates became effective.

27 6. The Parties fully examined whether the plant items identified above would be in  
28 service and used and useful at the beginning of the rate period and whether the associated costs  
29 were reasonable. Several plant items were removed entirely or their cost was adjusted through the

1 settlement process. The Settlement ultimately captured only those projects that were determined  
2 to be used and useful in the rate period.

3 7. Three additional projects, the Pierce Road La Grande High Pressure  
4 Reinforcement, the Klamath Falls Gas High Pressure Pipeline Remediation Project, and the Meter  
5 Data Management Implementation Project, are subject to an “attestation” requirement, that they  
6 would be in service on October 1, 2017, or if not on October 1, 2017, by November 1, 2017 and  
7 recovered under a separate tariff beginning November 1, 2017.

8 8. Through the settlement process, not only were several projects removed from the  
9 Company’s case, but the Company also agreed to a further reduction of \$2 million of rate base to  
10 effectuate a settlement agreement. This concession was not tied to specific capital projects, and  
11 was simply the result of Avista’s desire to reach a final settlement, knowing it would not earn a  
12 return on this \$2 million plant investment in this rate case. For its part, Avista continues to believe  
13 this \$2 million of capital investment will be in service and used and useful prior to October 1,  
14 2017.

15 9. Table No. 2 in the Joint Brief demonstrates that the net plant included in the  
16 Settlement Stipulation (\$225 million) is less than the adjusted completed net plant in service and  
17 used and useful on October 1, 2017 (\$226 million) by over \$1 million.

18 10. Even if Avista had recovered this \$2 million of plant investment in this case, as  
19 referenced in Paragraph 8, it still would be short of full recovery of plant in service on October 1,  
20 2017, by an additional \$1 million, as shown in Table No. 2 of the Joint Brief in Response to Bench  
21 Request.

22 11. The process by which Avista sets a capital budget is simply for the purpose of  
23 maintaining financial and accounting controls in its business, and is distinct from the transfers to

1 plant in service that are included in this general rate case. Avista is not requesting that the  
2 Commission ratify its budgeting process.

3 12. The Settlement reached by the Parties included discussion of individual projects  
4 and programs, informed by extensive documentation regarding individual plant items, their cost,  
5 and their in-service date.

6 13. In no event does the plant included in the Settlement Stipulation reflect items that  
7 will not be in service and used and useful in providing service to customers in Oregon, when rates  
8 go into effect.

9

10 I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE  
11 OF OREGON THAT THE FOREGOING IS TRUE AND CORRECT.

12 Dated this 1<sup>st</sup> day of September, 2017.

13

14

15

AVISTA CORPORATION

16

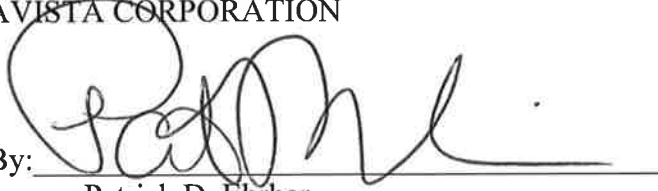
17

18

19

20

21

By:   
Patrick D. Ehrbar  
Senior Manager, Rates and Tariffs  
Avista Corporation



BEFORE THE PUBLIC UTILITY COMMISSION  
OF OREGON

UG 325

In the Matter of )  
 )  
AVISTA CORPORATION, dba AVISTA )  
UTILITIES )  
Request for a General Rate Revision )  
\_\_\_\_\_)

DECLARATION OF  
MITCHELL MOORE IN SUPPORT OF  
JOINT BRIEF IN RESPONSE TO  
BENCH REQUEST

I, Mitchell Moore, state the following, under penalty of perjury in the State of Oregon:

1. I am a Senior Utility Analyst for the Public Utility Commission of Oregon Staff (“Staff”). I work in the Energy Rates, Finance and Audit Division.

2. On behalf of Staff, I drafted the pre-filed opening testimony submitted for use in this docket as Staff Exhibit 800 and Staff Exhibit 801 (witness qualification statement).

3. To the best of my knowledge, my pre-filed testimony and witness qualification statement remain true and accurate.

4. During my work on this docket for Staff, I reviewed every project included in Avista’s filing to determine whether Avista Corporation provided sufficient evidence justifying the capital projects included as Utility Plant in Service. I did a “deep-dive” of 17 individual projects, including extensive discussions about those select projects on site in Spokane and in other forums with Avista personnel. I also did a trend analysis of ongoing, programmatic projects to establish that they were within reasonable spending norms of recent years.

5. Based on my analysis, and the information exchanged in discovery and provided by Avista Corporation in its Opening and Reply Testimony, and the terms of the Stipulation signed by Parties to this docket, I believe that the stipulated amounts for Utility Plant in Service represent prudently incurred capital spending.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

I hereby declare that the above statement is true to the best of my knowledge and belief, and that I understand it is made for use as evidence in court and is subject to penalty for perjury.

SIGNED this \_\_\_\_ day of \_\_\_\_\_ 2017.

\_\_\_\_\_  
Mitchell Moore