

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

UG 366

In the Matter of

AVISTA CORPORATION, dba AVISTA
UTILITIES,

Request for a General Rate Revision.

NOTICE OF *EX PARTE*
COMMUNICATION

On August 16, 2019, Administrative Law Judge Alison Lackey sent an electronic meeting request including substantive questions about an adjustment in the stipulation filed in this proceeding to the Oregon Public Utility Commission Utility Program Division Administrator John Crider (managerial staff). The electronic meeting request was subsequently forwarded by managerial Staff to John Fox, a witness for Oregon Public Utility Commission Staff in this proceeding. On August 19, 2019, ALJ Lackey received an electronic mail message from Mr. Fox responding to the meeting request. The message contains information that relates to the merits of an issue pending in this proceeding. ALJ Lackey did not reply to the message. Upon receiving the message, ALJ Lackey notified me of these events. A copy of the meeting request and the reply message is attached.

Under the Commission's Internal Operating Guidelines, the Utility Program Director and Division Administrators discuss contested case matters with Commissioners and the presiding ALJ and attend decision-meetings to ensure that the Commission and ALJ s have adequate policy and technical advice under the agency's structure.¹ Any Staff member who sponsors testimony in a contested case proceeding, however, is subject to *ex parte* rules governing communications with the Commissioners and presiding ALJ. The Commission's rule on *ex parte* communication, OAR 860-001-0340(2)(a), defines *ex parte* communications as those "made by a person directly to a Commissioner or presiding ALJ outside the presence of any or all parties of record in pending contested case or declaratory ruling proceedings."

Because Mr. Fox is a witness to this proceeding, the message constitutes an *ex parte* communication in this proceeding under OAR 860-001-0340. Accordingly, I am providing notice of it to all parties to this docket. Moreover, a copy of this notice will be made part of the official record in this proceeding.

¹

In the Matter of Public Utility Commission of Oregon, Internal Operating Guidelines, Docket No. UM 1709, Order No. 14-358, Appendix A at 12 (Oct 17, 2014)

Parties have the right to rebut the communication within 10 days of this notice, with service to all parties of record.

Dated this 19th day of August, 2019, at Salem, Oregon.

A handwritten signature in blue ink, appearing to read "Nolan Moser", is positioned above a horizontal line.

Nolan Moser
Chief Administrative Law Judge

LACKEY Alison

Subject: Avista
Location: your office?

Start: Mon 8/19/2019 11:00 AM
End: Mon 8/19/2019 11:30 AM
Show Time As: Tentative

Recurrence: (none)

Meeting Status: Not yet responded

Organizer: LACKEY Alison
Required Attendees: CRIDER John (jwcrider@puc.state.or.us)

Hi John-

There's one adjustment in the Avista settlement that I'm not quite sure I understand and I'm hoping a quick chat with you will clarify it.

There's a revenue requirement adjustment of \$25,000 associated with the aircraft and hangar (Second Stipulation, item z in the table). As compared to AWEC/102, it appears that the settlement adjustment is consistent with the revenue requirement impact of excluding 28% of the costs of the aircraft and excluding the hangar, but the settlement doesn't show the associated rate base adjustments, which seemed odd to me. I think this will be a 10 minute chat, so let me know if there is a better time for me to stop by.

Thanks,
Alison

MOSER Nolan

From: MOSER Nolan
Sent: Monday, August 19, 2019 1:37 PM
To: MENZA Candice
Subject: FW: Avista

From: FOX John <JLFOX@puc.state.or.us>
Sent: Monday, August 19, 2019 10:45 AM
To: LACKEY Alison <alackey@puc.state.or.us>
Cc: CRIDER John <jwcrider@puc.state.or.us>
Subject: RE: Avista

Hi Alison, the adjustment is related to AWEC's testimony Mullins, 100/8-10 which questioned the capital cost and also asserted that a portion of the operating costs should be allocable to non-utility operations (see 100/10). The settlement was a negotiated adjustment resolving all of AWEC's concerns. Since it's a black box the amount is not directly attributable to either the capital or operating expense side. The parties simply agreed to a revenue requirement reduction of \$25k.

The stipulation says "remove costs associated with the corporate aircraft and hanger" it does not say they are capital costs.

Glad to discuss further but I'm not sure what circumstances I should be channeling the discussion through John Crider. I'm still fairly new here.