

DECISION MEMORANDUM

TO: COMMISSIONER KJELLANDER
COMMISSIONER RAPER
COMMISSIONER ANDERSON
COMMISSION SECRETARY
COMMISSION STAFF
LEGAL

FROM: BRANDON KARPEN
DEPUTY ATTORNEY GENERAL

DATE: JULY 21, 2017

SUBJECT: AVISTA'S OBJECTION TO SIERRA CLUB'S INTERVENTION
AVISTA GENERAL RATE CASE
CASE NOS. AVU-E-17-01 AND AVUG-17-01

On July 12, 2017, Avista Corporation filed an "Objection of Avista Corporation to Petition to Intervene of Sierra Club" in the above captioned matter. Avista claims that Sierra Club will unduly broaden the issues of the case. Objection at 4-5. Avista suggests that its IRP case is the proper venue to address the depreciation rates for Colstrip. *Id.* at 3.

Avista states that Sierra Club's stated focus on matters relating to the Colstrip coal plant are actually a way of bootstrapping improper issues beyond what is now before the Commission. *Id.* Rather, Avista asserts that Sierra Club will use normal capital expenditures as a toehold to argue over the remaining useful life of the plant in question. *Id.* at 3. Avista points out that Sierra Club is making that argument in Puget Sound Energy's pending general rate case in the State of Washington. *Id.* at 4.

Avista requests that the Commission deny Sierra Club's request to intervene, or "[i]n the very least ... clarify that any intervention by the Sierra Club should not [suggest] an earlier termination date for Colstrip Units 3 and 4." *Id.* at 5.

On July 18, 2017, Sierra Club filed a response to Avista's objection. Citing Commission Rule 74, Sierra Club argues the Commission should continue its practice of liberal intervention, and points out that it has clearly stated a direct and substantial interest in the outcome of the case. Response at 2-3. Sierra Club further argues that Avista's claims regarding Colstrip expenditures being "in the ordinary course of business," and "have been routinely

incurred,” improperly argue the merits of the case through its objection. *Id.* at 3. Sierra Club states that “[a]t a minimum, scrutiny and review of those expenditures are warranted through the pendency of this rate case proceeding.” *Id.*

Sierra Club also maintains that any argument relating to the Colstrip depreciation rate is similarly premature. Rather, Sierra Club states it does not know what, if any, position it will take with regard to the depreciation rate, as the case has not proceeded to that point yet. *Id.* 4. However, Sierra Club argues that while it does not intend to seek any Commission order requiring the closure of Colstrip, “aligning depreciation schedulers of large power plants with estimated retirement dates is highly relevant to a general rate case.” *Id.*

Sierra Club contends that it will not unduly broaden the issues or delay the proceedings, and will only address issues relevant to the current case. *Id.* at 5. It points out that it filed a timely Petition to Intervene, met the Commission’s requirements under Commission Rules, and identified germane issues that it will focus on, as well as issues that may arise upon further investigation and analysis. Accordingly, Sierra Club requests that the Commission deny Avista’s objection in whole.

IPUC Rules of Procedure 71-80 relate to intervention and public witnesses.

STAFF RECOMMENDATION

Staff takes no position in this matter.

COMMISSION DECISION

How does the Commission wish to rule on Avista’s objection to Sierra Club’s participation, and Avista’s alternative request to limit participation?



Brandon Karpen
Deputy Attorney General

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