

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET UE-240006

DOCKET UG-240007

EXH. KJS-6

KAYLENE J. SCHULTZ

REPRESENTING AVISTA CORPORATION

Electric and Natural Gas Uncontested Adjustments

Adjustment Number Electric	Adjustment Number Natural Gas	Adjustment Name
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Restating Adjustments

1.00	1.00	Results of Operations ^[1]
1.02	1.02	Deferred Debits and Credits
2.01	2.01	Eliminate B & O Taxes
2.02	2.02	Restate Property Tax
2.03	2.03	Uncollectible Expense
2.04	2.04	Regulatory Expense
2.05	2.05	Injuries and Damages
2.07	2.07	Office Space Charges to Non-Utility
2.08	2.08	Restate Excise Taxes
2.09	2.09	Net Gains & Losses
2.10	2.10	Weather Normalization
2.11	2.11	Eliminate Adder Schedules
2.13	2.13	Restating Incentives Expense
2.14	2.14	Restate Debt Interest
2.15	2.15	Restate Capital 06.2023 EOP ^[1]
2.16		Eliminate WA Power Cost Defer
2.17		Nez Perce Settlement Adjustment
2.18		Normalize CS2 Major Maint
2.19		Authorized Power Supply

Rate Year 1 Pro Forma Adjustments

3.00T	Pro Forma	Transmission Revenue/Expense
3.01	3.01	Pro Forma Revenue Normalization
3.02	3.02	Pro Forma Def. Debits, Credits & Regulatory Amorts
3.03	3.03	Pro Forma EDIT (RSGM)
3.04	3.04	Pro Forma AMI Amortization ^[1]
3.09	3.09	Pro Forma LIRAP Labor
3.10	3.10	Pro Forma CCA Labor
3.13	3.13	Pro Forma IS/IT Expense
3.18	3.18	Pro Forma New Regulatory Amortizations
3.19	3.19	Pro Forma Nucleus/ETRM Expense
3.21		PF Transportation Electrification Return (Kicker)
3.22		Pro Forma Remove Normalize CS2 Major Maint
3.24		Pro Forma Wildfire Expense

Rate Year 2 Pro Forma Adjustments ^[2]

AWEC & Public Counsel, who provided a RY2 Revenue Requirement, uncontested these adjustments. While Staff opposed a RY2, the following counterpart adjustments were uncontested in RY1.

5.01	5.01	Pro Forma AMI Amortization
5.05	5.05	Pro Forma Nucleus/ETRM Expense
5.09		Pro Forma EDIT
5.10		PF Transportation Electrification Return (Kicker)
5.11		Pro Forma CS2 Amortization
5.12		Pro Forma PPA Amortization ^[3]

(sum 38 adjs.) (sum 26 adjs.)

^[1] These adjustments are uncontested, but for the impact of cost of capital.

^[2] Staff did not support a RY2.

^[3] Staff opposed the PPA adjustment in RY1.

Electric and Natural Gas Avista Updated and Contested Adjustments

Exh. KJS-ST Item	Electric and Natural Gas Updates By Avista on Rebuttal (Reflected only by Parties as noted)					
	Adjustment # Electric	Adjustment # Natural Gas	Adjustment Name	DR Update ^[1]	Exhibit Reference ^[2]	Party Contesting
a)	1.01	1.01	Deferred FIT Rate Base	AWEC-DR-005	Exh. KJS-9, pp. 1-2	
b)	1.04		Remove Colstrip	NWEC-DR-005 Supplemental	Exh. KJS-9, pp. 3-5	
c)	2.12	2.12	Misc. Restating Non-Util / Non-Recurring Expenses	AWEC-DR-040	Exh. KJS-9, pp. 6	AWEC
d)	3.00P / 5.00P		Pro Forma Power Supply	Staff-DR-117	Exh. KJS-9, pp. 7-8; Kalich, Exh. CGK-7T / Kinney, Exh. SJK-17T / Andrews, Exh. EMA-6T	Staff / PC / AWEC
e)	3.05 / 5.02	3.05 / 5.02	Pro Forma Labor Non-Exec	Staff-DR-044 Supplemental 3	Exh. KJS-9, pp. 9-12	Staff
f)	3.06	3.06	Pro Forma Labor Exec	Staff-DR-041C	Exh. KJS-10C, pp. 1-4	PC
g)	3.07 / 5.03	3.07 / 5.03	Pro Forma Employee Benefits	AWEC-DR-004 Supplemental/AWEC-DR-004C	Exh. KJS-9, pp. 13-14; Exh. KJS-10C, pp. 5-6	AWEC
h)	3.11 / 5.04	3.11 / 5.04	Pro Forma Property Tax	PC-DR-295	Exh. KJS-9, pp. 15-16	AWEC
i)	3.14 / 5.06	3.14 / 5.06	Pro Forma Misc. O&M Exp	PC-DR-297	Staff, Hillstead, Exh. KMH-7 / Andrews, Exh. EMA-6T	Staff / PC / AWEC
j)	3.15 3.16 3.17 4.01	3.15 3.16 3.17 4.01	Pro Forma Capital Additions to 12.31.2023 EOP Pro Forma Depreciation Expense Pro Forma Capital Additions to 12.31.2024 EOP Provisional Capital Additions to 12.31.2025 AMA	Staff-DR-098 Supplemental	Exh. KJS-9, pp. 17-19 Exh. KJS-9, pp. 17-19; Andrews, Exh. EMA-6T	AWEC
k)	4.02 / 5.08	4.02 / 5.08	2024-2025 Capital Adds O&M & Revenue Offsets	AWEC-DR-046	Exh. KJS-9, pp. 20-22	
l)	PC (Exh. MEG-3, Sch. 3.7)	PC (Exh. MEG-4, Sch. 4.7)	Investor Relations Expense	N/A	PC, M. Garrett, Exh. MEG-3 / Exh. MEG-4	PC
m)	AWEC 4.03 / AWEC 5.13		Rent From Electric Property	N/A	Andrews, Exh. EMA-6T	AWEC
j)	5.07	5.07	Provisional Capital Adds to 12.31.2026 AMA	Staff-DR-098 Supplemental	Andrews, Exh. EMA-6T	AWEC

^[1] Updated during process of case through discovery. See Exh. KJS-9 & Confidential Exh. KJS-10C for copies of discovery response covers and certain detail data. See Exh. KJS-7 (electric) & Exh. KJS-8 (natural gas) native Electric and Natural Gas Revenue Requirement "long models" for individual tabs showing adjustment detail.

^[2] Exhibit Reference for Schultz exhibits (Exh. KJS-5T, Exh. KJS-9, and Confidential Exh. KJS-10C) unless otherwise noted.

Exh. KJS-ST Item	Washington Electric and Natural Gas Contested Adjustments by Parties - Opposed By Avista				
	Adjustment # Electric	Adjustment # Natural Gas	Adjustment Name	Party Contesting	Avista Rebuttal Witness
a)	COC	COC	Cost of Capital (ROE)	Staff / PC / AWEC	McKenzie, Exh. AMM-15T
b)	1.03	1.03	Working Capital	AWEC	Andrews, Exh. EMA-6T
c)	2.06	2.06	FIT/DFIT/ ITC Expense (Customer Tax Deductions)	AWEC	Andrews, Exh. EMA-6T
d)	3.08	3.08	Pro Forma Incentives	Staff	Schultz, Exh. KJS-5T
e)	3.12	3.12	Pro Forma Insurance Expense	PC	Schultz, Exh. KJS-5T
f)	3.20	3.20	Pro Forma BOD Fees Expense	PC / AWEC	Schultz, Exh. KJS-5T
g)	3.23		Pro Forma PPA Interest	Staff	Andrews, Exh. EMA-6T
h)	PC (Exh. MEG-3, Sch. 3.8)	PC (Exh. MEG-4, Sch. 4.8)	Association Dues	PC	Schultz, Exh. KJS-5T
i)	AWEC-CTC	AWEC-CTC	Customer Tax Credit Amortization	AWEC	Andrews, Exh. EMA-6T
j)	AWEC 5.14		Colstrip Transmission Assets	AWEC	Kinney, SJK-17T / Andrews, Exh. EMA-6T

RECONCILIATION TABLE OF ADJUSTMENTS TO ELECTRIC REVENUE REQUIREMENT (000s)										
Washington Electric		Avista Rebuttal		UTC Staff ^[1]		Public Counsel ^[2]		AWEC ^[3]		
Adj.	Adjustments:	Revenue Requirement	Rate Base	Revenue Requirement	Rate Base	Revenue Requirement	Rate Base	Revenue Requirement	Rate Base	
		(10.4% ROE) ^[6]		(9.5% ROE)		(8.85% ROE)		(9.25% ROE) ^[5]		
	Amount As Filed Per Company - Rate Year 1	\$ 77,067	\$ 2,309,817	\$ 77,067	\$ 2,309,817	\$ 77,067	\$ 2,309,817	\$ 77,067	\$ 2,309,817	
1	COC			(13,199)		(23,022)		(17,804)		
2	1.01	234	2,493							
3	1.03							(2,485)	(28,814)	
4	1.04	130	1,386							
5	2.06							(5,828)		
6	2.12	(2)						(421)		
7	3.00P	(35,639)		(42,184)		(44,458)		(47,469)		
8	3.05	84		(1,854)						
9	3.06	52				(63)				
10	3.07	175						(1,285)		
11	3.08			(1,222)						
12	3.11	(569)						(570)		
13	3.12					(237)				
14	3.14	143		(9,508)		(5,624)		(9,319)		
15	3.15	(2,249)	(24,278)							
16	3.16	9								
17	3.17	2,304	24,629							
18	3.20					(819)		(819)		
19	3.23			(810)						
20	4.01	834	(231)					(7,742)	(25,761)	
21	4.02	984								
22	PC (Exh. MEG-3, Sch. 3.7)					(201)				
23	PC (Exh. MEG-3, Sch. 3.8)					(252)				
24	AWEC 4.03	(626)						(2,205)		
25		\$ (34,175)	\$ 3,999	\$ (68,777)	\$ -	\$ (74,676)	\$ -	\$ (95,947)	\$ (54,575)	
26										
27										
28		RY1 Adjusted Amounts	\$ 42,892	\$ 2,313,816	\$ 8,290	\$ 2,309,817	\$ 2,391	\$ 2,309,817	\$ (18,880)	\$ 2,255,242
29		Incremental Amount As Filed Per Company - Rate Year 2	\$ 78,130	\$ 90,244			\$ 78,129	\$ 90,244	\$ 78,130	\$ 90,244
30	COC					(899)		(696)		
31	5.00P	(5,321)						(4,165)		
32	5.02	(568)						-		
33	5.03	(315)						(318)		
34	5.04	(42)						(42)		
35	5.06	(2,095)				(2,249)		(2,368)		
36	5.07	78	(596)					777	(9,039)	
37	5.08	(406)								
38	AWEC 5.13	(198)						(286)		
39	AWEC 5.14							(1,915)	(6,608)	
40		\$ (8,866)	\$ (596)			\$ (3,148)	\$ -	\$ (9,013)	\$ (15,647)	
41										
42		RY2 Adjusted Amounts	\$ 69,264	\$ 2,403,463			\$ 74,981	\$ 2,400,061	\$ 69,117	\$ 2,329,839
43										
44	AWEC-CTC							(5,734)		
45										
46		RY2 Adjusted Amounts with Amortization	\$ 69,264	\$ 2,403,463	\$ -	\$ -	\$ 74,981	\$ 2,400,061	\$ 63,383	\$ 2,329,839

NOTES TO TABLE

[1] Per K. Hillstead, Exh. KMH-1T at 9-10 and Exh. KMH-2 at 1.

[2] Per M. Garrett, Exh. MEG-3 at 2.

[3] Per B. Mullins, Exh. BGM-3 at 1-3.

[4] Differences based solely on cost of capital proposed by the party is consolidated with line 1. Includes debt interest.

[5] AWEC Witness Kaufman proposes 9.25%, however, AWEC Witness Mullins uses 9.2% in their electric revenue requirement calculation.

[6] Capital structure 48.5% Common Equity / 51.5% Total Debt. and Total Cost of Debt 4.99% uncontested.

Other parties to the proceeding, NW Energy Coalition (NVEC), The Energy Project (TEP), Sierra Club, and Walmart, did not provide revenue requirement adjustments.

RECONCILIATION TABLE OF ADJUSTMENTS TO NATURAL GAS REVENUE REQUIREMENT (000s)									
Washington Natural Gas		Avista Rebuttal		UTC Staff ⁽¹⁾		Public Counsel ⁽²⁾		AWEC ⁽³⁾	
Adj.	Adjustments:	Revenue Requirement	Rate Base	Revenue Requirement	Rate Base	Revenue Requirement	Rate Base	Revenue Requirement	Rate Base
		(10.4% ROE) ⁽⁵⁾		(9.5% ROE)		(8.85% ROE)		(9.25% ROE)	
	Amount As Filed Per Company - Rate Year 1	\$ 17,293	\$ 586,084	\$ 17,293	\$ 586,084	\$ 17,293	\$ 586,084	\$ 17,293	\$ 586,084
1	COC	Adjust Cost of Capital ⁽⁴⁾		(3,348)		(5,840)		(4,283)	
2	1.01	Deferred FIT Rate Base	74	789					
3	1.03	Working Capital						(311)	(3,592)
4	2.06	FIT/DFIT/ ITC Expense						(1,226)	
5	2.12	Misc. Restating Non-Util / Non- Recurring Expenses	(1)					(27)	
6	3.05	Pro Forma Labor Non-Exec	39		(547)				
7	3.06	Pro Forma Labor Exec	17			(20)			
8	3.07	Pro Forma Employee Benefits	56					(407)	
9	3.08	Pro Forma Incentives			(387)				
10	3.11	Pro Forma Property Tax	(85)					(85)	
11	3.12	Pro Forma Insurance Expense				(75)			
12	3.14	Pro Forma Misc O&M Exp	(1,480)		(1,714)	(778)		(1,715)	
13	3.15	Pro Forma Capital Additions to 12.31.2023 EOP	(14)	(364)					
14	3.16	Pro Forma Depreciation Expense	2						
15	3.17	Pro Forma Capital Additions to 12.31.2024 EOP	880	4,824					
16	3.20	Pro Forma BOD Fees Expense				(259)		(259)	
17	4.01	Provisional Capital Additions to 12.31.2025 AMA	(56)	(325)				(2,555)	(3,204)
18	4.02	2024-2025 Capital Adds O&M & Revenue Offsets	89						
19	PC (Exh. MEG 4, Sch. 4.7)	Investor Relations Expense	(12)			(60)			
20	PC (Exh. MEG 4, Sch. 4.8)	Association Dues				(140)			
21		Total Adjustments	\$ (492)	\$ 4,924	\$ (5,996)	\$ -	\$ (7,172)	\$ -	\$ (10,868)
22									
23		RY1 Adjusted Amounts	\$ 16,802	\$ 591,008	\$ 11,297	\$ 586,084	\$ 10,121	\$ 586,084	\$ 6,424
24									
25	AWEC-CTO	Customer Tax Credit Amortization						(2,718)	
26									
27		RY1 Adjusted Amounts with Amortization	\$ 16,802	\$ 591,008	\$ 11,297	\$ 586,084	\$ 10,121	\$ 586,084	\$ 3,706
28									
29		Incremental Amount As Filed Per Company - Rate Year 2	\$ 4,564	\$ 16,241			\$ 4,565	\$ 16,241	\$ 4,565
30	COC	Adjust Cost of Capital ⁽⁴⁾				(162)		(119)	
31	5.02	Pro Forma Labor Non-Exec	(154)						
32	5.03	Pro Forma Employee Benefits	(100)					(101)	
33	5.04	Pro Forma Property Tax	(1)					(1)	
34	5.06	Pro Forma Misc O&M Exp	(323)			(311)		(341)	
35	5.07	Provisional Capital Adds to 12.31.2026 AMA	(18)	(9)				(1,177)	5,856
36	5.08	2026 Capital Adds O&M & Revenue Offsets	49						
37		Total Adjustments	\$ (547)	\$ (9)			\$ (473)	\$ -	\$ (1,739)
38									
39		RY2 Adjusted Amounts	\$ 4,017	\$ 607,240	\$ -	\$ -	\$ 4,092	\$ 602,325	\$ 2,826

NOTES TO TABLE

[1] Per K. Hillstead, Exh. KMH-1T at 21-22 and Exh. KMH-8 at 1.

[2] Per M. Garrett, Exh. MEG-4 at 2.

[3] Per B. Mullins, Exh. BGM-4 at 1-3.

[4] Differences based solely on cost of capital proposed by the party is consolidated with line 1. Includes debt interest.

[5] Capital structure 48.5% Common Equity / 51.5% Total Debt, and Total Cost of Debt 4.99% uncontested.

Other parties to the proceeding, NW Energy Coalition (NVEC), The Energy Project (TEP), Sierra Club, and Walmart, did not provide revenue requirement adjustments.