

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET UE-240006

DOCKET UG-240007

EXH. EMA-7

ELIZABETH M. ANDREWS

REPRESENTING AVISTA CORPORATION

**Reconciliation of Avista As-Filed vs Rebuttal, versus Party Adjustments,
and Reconciliation of Staff Error**

Included below, is a summary of Avista's Electric Rate Year 1 & 2 Pro Forma Miscellaneous O&M/A&G Adjustments 3.14 and 5.06, direct versus position on rebuttal, the position of each party (Staff, Public Counsel and AWEC), as well as the impact of Staff's model error.

Electric Pro Forma O&M Adjustment 3.14 – Rate Year 1 (2025)

Electric Pro Forma O&M Adjustment 3.14 - Rate Year 1 (2025)					
Rate Year 1 (2025)	Line Ref	Avista	Staff	PC	AWEC
Avista As-filed (PF 3.14)	1)	\$ <u>8,875,949</u>			
Avista Updated: (see PC-DR-227)					
12ME 06.2023 adjusted to 12ME 12.2023*	2)	\$ 5,901,676	\$ 5,901,676		
2.5% Escalation to 2024	3)	\$ 1,555,341		\$ 2,111,699	\$ -
2.5% Escalation to 2025	4)	\$ 1,555,341		\$ 1,407,799	\$ -
Avista Rebuttal - RY1	5)	\$ 9,012,358			
Party Positions RY1	6)		\$ 5,901,676	\$ 3,519,498	\$ -
Avista Incremental Expense from As-Filed	7)	\$ 136,409			
Avista Incremental Rev. Req. from As-Filed	8)	\$ 143,210			
Party Adjustments from Avista As-Filed	9)		(a) \$ (2,974,273)	\$ (5,356,451)	\$ (8,875,949)
Party Impact - Revenue Requirement	10)		↓ \$ (3,122,576)	\$ (5,623,533)	\$ (9,318,520)
Staff Supported Adjustment	11)		(a) \$ (2,974,273)		
Staff Actual Adjustment			(b) \$ (9,056,949)		
Staff Error - Expense			(c) \$ 6,082,676		
Staff Error -Revenue Requirement Correction			(d) \$ 6,385,969		
*See Hillstead Exh. KMH-7 - Avista Response to PC-DR-227 provides incremental 2023 actual Increases per table, page 2. Company revised electric and natural gas annual escalation % beyond 12ME 12.2023 values to 2.5% on rebuttal.					

Electric Pro Forma O&M Adjustment 5.06 – Rate Year 2 (2026)

Electric Pro Forma O&M Adjustment 5.06 - Rate Year 2 (2026)					
Rate Year 2 (2026)	Line Ref	Avista	Staff	PC	AWEC
Avista As-filed (PF 5.06)	1)	\$ <u>3,550,380</u>	N/A		
Avista Updated: (PC-DR-227*)					
2.5% Escalation to 2026	2)	\$ 1,555,341		\$ 1,407,799	\$ 1,295,176
Avista Rebuttal - RY2	3)	\$ 1,555,341			
Party Positions RY2	5)			\$ 1,407,799	\$ 1,295,176
Avista Reduce Expense from As-Filed	6)	\$ (1,995,039)			
Avista Reduction Rev. Req. from As-Filed	7)	\$ (2,094,515)			
Party Adjustments from Avista As-Filed	9)			\$ (2,142,581)	\$ (2,255,204)
Party Impact - Revenue Requirement	10)			\$ (2,249,414)	\$ (2,367,653)
*See Hillstead Exh. KMH-7 - Avista Response to PC-DR-227 provides incremental 2023 actual Increases per table, page 2. Company revised electric and natural gas annual escalation % beyond 12ME 12.2023 values at 2.5% on rebuttal.					

Included below, is a summary of Avista's Natural Gas Rate Year 1 & 2 Pro Forma Miscellaneous O&M/A&G Adjustments 3.14 and 5.06, direct versus position on rebuttal, the position of each party (Staff, Public Counsel and AWEC), as well as the impact of Staff's model error.

Natural Gas Pro Forma O&M Adjustment 3.14 – Rate Year 1 (2025)

Natural Gas Pro Forma O&M Adjustment 3.14 - Rate Year 1 (2025)					
	Line				
Rate Year 1 (2025)	Ref	Avista	Staff	PC	AWEC
Avista As-filed (PF 3.14)	1)	<u>\$ 1,633,694</u>			
Avista Updated: (see PC-DR-227)					
12ME 06.2023 adjusted to 12ME 12.2023*	2)	\$ (467,780)	\$ (467,780)		
2.5% Escalation to 2024	3)	\$ 345,460		\$ 535,732	\$ -
2.5% Escalation to 2025	4)	\$ 345,460		\$ 357,154	\$ -
Avista Rebuttal - RY1	5)	<u>\$ 223,140</u>			
Party Positions RY1	6)		\$ (467,780)	\$ 892,886	\$ -
Avista Reduction to Expense from As-Filed	7)	<u>\$ (1,410,554)</u>			
Avista Reduction to Rev. Req. from As-Filed	8)	<u>\$ (1,480,886)</u>			
Party Adjustments from Avista As-Filed	9)		(a) \$ (2,101,474)	\$ (740,808)	\$ (1,633,694)
Party Impact - Revenue Requirement	10)		\$ (2,206,257)	\$ (777,746)	\$ (1,715,153)
Staff Supported Adjustment	11)		(a) \$ (2,101,474)		
Staff Actual Adjustment			(b) \$ (1,634,694)		
Staff Error - Expense			(c) \$ (466,780)		
Staff Error -Revenue Requirement Correction			(d) \$ (490,054)		
*See Hillstead Exh. KMH-7 - Avista Response to PC-DR-227 provides incremental 2023 actual Increases per table, page 2. Company revised electric and natural gas annual escalation % beyond 12ME 12.2023 values to 2.5% on rebuttal.					

Natural Gas Pro Forma O&M Adjustment 5.06 – Rate Year 2 (2026)

Natural Gas Pro Forma O&M Adjustment 5.06 - Rate Year 2 (2026)					
	Line				
Rate Year 2 (2026)	Ref	Avista	Staff	PC	AWEC
Avista As-filed (PF 5.06)	1)	<u>\$ 653,477</u>	N/A		
Avista Updated: (PC-DR-227*)					
2.5% Escalation to 2026	2)	\$ 345,460		\$ 357,154	\$ 328,582
Avista Rebuttal - RY2	3)	<u>\$ 345,460</u>			
Party Positions RY2	5)			\$ 357,154	\$ 328,582
Avista Reduce Expense from As-Filed	6)	\$ (308,017)			
Avista Reduction Rev. Req. from As-Filed	7)	<u>\$ (323,375)</u>			
Party Adjustments from Avista As-Filed	9)			\$ (296,323)	\$ (324,895)
Party Impact - Revenue Requirement	10)			\$ (311,098)	\$ (341,095)
*See Hillstead Exh. KMH-7 - Avista Response to PC-DR-227 provides incremental 2023 actual Increases per table, page 2. Company revised electric and natural gas annual escalation % beyond 12ME 12.2023 values at 2.5% on rebuttal.					

Line References for Electric and Natural Gas RY1 and RY2 tables above are as follows:

- 1) Avista As-Filed Pro Forma Adjustment 3.14 (\$8.9M electric / \$1.6 million natural gas).
- 2) Incremental change 12ME 06.2023 versus 12ME 12.2023, included by Avista and supported per Staff Witness Hillstead, at Exh. KMH-1T, pp. 15-16.
- 3) 2.5% escalation to 2024, included by Avista above 12.2023 levels, and included by Public Counsel (PC) above 12ME 06.2023 levels.
- 4) 2.5% escalation to 2025, included by Avista above Avista 2024 levels, and included by Public Counsel (PC) above PC 2024 levels.
- 5) Avista Position on Rebuttal Rate Year 1 (\$9.0M electric / \$223,000 natural gas).
- 6) Party Positions Rate Year 1 – Staff, PC, AWEC.
- 7) Avista incremental expense from as-filed (\$136,000 electric), reduction in expense (less \$1.4 million natural gas).
- 8) Avista incremental revenue requirement from as-filed (\$143,000 electric), reduction in revenue requirement (less \$1.5 million natural gas).
- 9) Party Adjustments to Expense from Avista As-Filed.
- 10) Party Impact – Revenue Requirement of Adjustments.
- 11) Staff Adjustment Error Summary (from Avista’s as-filed case):
 - a. Staff Supported Adjustment (remove \$3.0M electric / \$2.1M natural gas).
 - b. Staff Actual Adjustment (actually removed \$9.1M electric / \$1.6M natural gas).
 - c. Staff Error – amount expense removed in error.
 - d. Staff Error – Revenue Requirement impact to add to Staff’s filed case.