BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-170485

DOCKET NO. UG-170486

EXH. EMA-15

ELIZABETH M. ANDREWS

REPRESENTING AVISTA CORPORATION

Adjustment	Adjustment	
Number	Number	
Electric	Natural Gas	Adjustment Name
Restating Adju	<u>istments</u>	
1.00	1.00	Per Results Report
1.01	1.01	Deferred FIT Rate Base
1.02	1.02	Deferred Debits and Credits
2.01	2.01	Eliminate B & O Taxes
2.04	2.04	Regulatory Expense
2.05	2.05	Injuries and Damages
2.06	2.06	FIT/DFIT/ ITC Expense
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
2.12	2.12	Misc. Restating Non-Util / Non- Recurring Expenses
2.13		Eliminate WA Power Cost Defer
	2.13	Project Compass Deferral
2.14		Nez Perce Settlement Adjustment
2.16		Normalize CS2/Colstrip Major Maint
2.18		Authorized Power Supply
<u>Pro Forma Adj</u>	<u>ustments</u>	
3.01		Pro Forma Trans/Power Sup Non-ERM Rev/Exp
	3.01	Pro Forma Atmospheric Testing & Leak Survey
3.03	3.03	Pro Forma Labor Exec
3.04	3.04	Pro Forma Employee Benefits
3.07	3.07	Pro Forma IS/IT Expense
3.08	3.08	Pro Forma Revenue Normalization
3.09	3.09	Pro Forma Def. Debits, Credits &/or Regulatory Amorts
3.13		PF Normalize CS2/Colstrip Major Maint
	3.13	Pro Forma LEAP Deferral Gas Line Ext.
3.14		Pro Forma Underground Equip Inspection
(sum 25 adjs.)	(sum 21 adjs.)	

Electric and Natural Gas Uncontested Adjustments

Adjustment Number Electric	Adjustment Number Natural Gas	Adjustment Name	Party Contesting	Accept or Oppose by Avist
Restating Adju	stments			
1.03	1.03	Working Capital	Staff	Oppose
2.02	2.02	Restate Property Tax	Staff	Accept
2.03	2.03	Uncollect. Expense	Staff	Accept
-	-	Conversion Factor	Staff	Accept
2.15	2.14	Restating Incentives	Staff	Accept
2.17	2.15	Restate Debt Interest		Flow Through (cost of capital related)
2.19	2.16	Restate 2016 AMA Rate Base to EOP	Staff added adj	Accept in part (Rate Base) /
(New Staff)	(New Staff)			Oppose in part (Expense)
ro Forma Adjı	istments		*	
3.02	3.02	Pro Forma Labor Non-Exec	ICNU / NWIGU / Public Counsel	Oppose
3.05	3.05	Pro Forma Incentive Expenses	Staff	Accept
3.06	3.06	Pro Forma Property Tax	Staff / Public Counsel	Accept Gas; <u>Oppose Electric:</u> (Avista believes Staff errored in its calculation for electric, Avista includes a corrected amount) <u>Oppose: Public Counsel Adj.</u>
3.10	3.10	Pro Forma 2017 Threshhold Capital Adds	Staff / ICNU / NWIGU	Oppose
3.11	3.11	Pro Forma O&M Offsets	Staff	Oppose
3.12	3.12	Pro Forma Director Fees Exp	Staff / ICNU / NWIGU / Public Counsel	Accept
New-A1		New MT Acquatic Invasive Fee - electric	(New Avista a	djustment added on rebuttal) ⁽
3.15	3.14	EOP 2017 Capital Net Rate Base	Staff / ICNU / NWIGU / Public Counsel	Accept
4.00		Pro Forma Power Supply & Transm Revs	Staff / ICNU / NWIGU / Public Counsel	Oppose

Electric and Natural Gas Contested Adjustments

(1) Avista noted within Andrews Exh. EMA-2, page 10, footnote 2: After completion of the Company's revenue requirement, we learned of the impact of a new aquatic invasive species fee, to be paid to the State of Montana, related to the Company's Noxon Rapids hydroelectric generating facility, beginning July 1, 2017. This fee is approximately \$1.6 million per year, or \$1.0 million Washington's share. During settlement discussions on October 6, 2017 the parties discussed this adjustment.

Requirement		RECON	CILIATIO		BLE OF ADJ	USTM	ENTS T		C RE	VENUE R	EQUIREMEN	IT		
Adjustments: Requirement Rate Base Requirement Rate Base Requirement Rate Base Requirement Rate Base Adjustments:	ELECTRIC		A	vista R	ebuttal		UTC St	aff (2)		ICNU	(3)	Public Co	unsel (4)	
1 Amount As Filed Per Company \$ 61,356 \$1,592,165 \$ 0 1 Restate Dopenty Taxes \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$					Rate Base	Revenue		Rate Base			Rate Base		Rate Base	
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3 Restate Debt Interest 841 1,752 0 4 Working Capital (540) (4,951) (465) (4,272) 0 5 Restate Property Taxes (664) (664) 0 0 0 6 Uncollectible Expense (214) (205) 0 0 0 6b Conversion Factor: (impact of change in uncolletible expense) (24) (24) 0 0 0 7 Restate 2016 AMA Rate Base to EOP 11,635 69,691 7,555 69,691 0 0 0 9 Pro Forma Incentives (125) (125) 0	1 Amount As File	ed Per Company	\$6	61,356	\$ 1,592,165	\$	61,356	\$ 1,592,165	\$	61,356	\$ 1,592,165	\$ 61,356	\$ 1,592,165	
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6b Conversion Factor: (impact of change in uncolletible expense) (24) (24) (24) (24) 7 Restating Incentives 48 48 0 0 0 8 Restating Incentives (125) (125) 0 0 0 9 Pro Forma Incentives (125) (125) 0 0 0 10 Pro Forma Property Taxes (539) (1,233) 0 0 0 11 Revise Pro Forma 2017 Threshold 4,414 27,633 (5,294) (26,211) (6,599) (29,346) 0 12 O&M Offsets (120) 1,036 0 0 0 0 14 Merior Facility Fee 1,071 0	5 Restate Property	y Taxes		(664)			(664)							
000 in uncolletible expense) (24) (26)	6a Uncollectible Ex	pense		(214)			(205)							
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11 Revise Pro Forma 2017 Threshold Additions 4,414 27,633 (5,294) (26,211) (6,599) (29,346) 12 O&M Offsets (120) 1,036 13 Pro Forma Directors Fees (394) (394) (394) (394) 14 MT Hydro Facility Fee 1,071 0 15 Pro Forma Labor 0 (1,121) (1,503) 17 Removal of EOP 2017 Adjusmtent (21,517) (119,874) (21,	9 Pro Forma Incer	ntives		(125)			(125)							
11 Additions 4,414 27,633 (5,294) (26,211) (6,599) (29,346) 12 O&M Offsets (120) 1,036 13 Pro Forma Directors Fees (394) (394) (394) (394) 14 MT Hydro Facility Fee 1,071 0 15 Pro Forma Labor 0 (1,121) (1,503) 16 Removal of EOP 2017 Adjusmtent (21,517) (119,874) (21,517) (119,874) (21,517) 17 Remove Power Supply Adjustment (21,517) (119,874) (21,517) (119,874) (21,517) 19 Total Adjustments \$ (6,969) \$ (27,501) \$ (51,322) \$ (80,666) \$ (61,159) \$ (149,220) \$ (19,870) 20	10 Pro Forma Prop	erty Taxes		(539)			(1,233)					(1,290)		
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16 Removal of EOP 2017 Adjusmtent (21,517) (119,874) (119,874) (11,		2		1,071	0									
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18 Image: state of the parties reconciled their positions with the Company's Pro Forma Study (\$37.5 million) in error rather than Avista's filed case "EOP Rate Base Study" of \$61.356 million. Most amounts shown in columns above are per party exhibits, with the exception of: 1) Added "Removal of EOP 201"			(2	21,517)	(119,874)		<u>, ,</u> ,	(119,874)		(;)	(119,874)	· · /	· · · /	
19 Total Adjustments \$ (6,969) \$ (27,501) \$ (51,322) \$ (80,666) \$ (149,220) \$ (53,870) \$ (119,87) 20 <td< td=""><td></td><td>Supply Adjustment</td><td></td><td></td><td></td><td></td><td>(16,609)</td><td></td><td></td><td>(16,609)</td><td></td><td>(16,609)</td><td></td></td<>		Supply Adjustment					(16,609)			(16,609)		(16,609)		
21 Adjusted Amounts \$ 54,387 \$ 1,564,664 \$ 10,034 \$ 1,511,499 \$ 197 \$ 1,442,945 \$ 7,486 \$ 1,472,29 (1) (1) (1)	19 Total Adjustme	ents	\$	(6,969)	\$ (27,501)	\$	(51,322)	\$ (80,666)	\$	(61,159)	\$ (149,220)	\$ (53,870)	\$ (119,874)	
(1) Each of the parties reconciled their positions with the Company's Pro Forma Study (\$37.5 million) in error rather than Avista's filed case "EOP Rate Base Study" of \$61.356 million. Most amounts shown in columns above are per party exhibits, with the exception of: 1) Added "Removal of EOP 201		unts	\$ 5	54,387	\$ 1,564,664	\$	10,034	\$ 1,511,499	\$	197	\$ 1,442,945	\$ 7,486	\$ 1,472,291	
Base Study" of \$61.356 million. Most amounts shown in columns above are per party exhibits, with the exception of: 1) Added "Removal of EOP 201							(1)			(1)		(1)		
	20 21 Adjusted Amou (1) Each of the Base Study" of	unts parties reconciled the \$61.356 million. Mos	\$ 5 eir positi st amoun	54,387 ons wi	\$ 1,564,664 th the Compa wn in column	\$ any's Pi as abov	10,034 (1) o Forma e are pe	\$ 1,511,499 a Study (\$37.5 r party exhibi	\$ 5 millio ts, wit	197 (1) on) in erro th the exce	\$ 1,442,945 r rather than Aption of: 1) A	\$ 7,486 (1) Avista's filed ca dded "Removal	\$ 1,472 se "EOP of EOP 2	
	-		udy resu	Its rath	er than as file	ed EOP	Study b	y Avista.						
vary due to the use of Pro Forma Study results rather than as filed EOP Study by Avista.														
(2) Per Huang Exh. JH-2, page 11.														
(2) Per Huang Exh. JH-2, page 11. (3) Mullin, Exh. BGM-3, page 1.	(4) Per M. Garre	ett, Exh. MEG-11, pag	e 2.											

0 269 0 225) 22) 14 (65) 15 14 (65) 15 (14 (35) (49) (41)	\$	ate Base 319,539 (1,143) 14,160	Requ \$	evenue uirement 8,269 (2,901) 168 (359) (122) 205 (65) 15 1,532 (35)	\$))	ate Base 319,539 (4,182) (4,182) 14,160		evenue juirement 8,269 (3,481) 256		ate Base 319,539		Revenue quirement 8,269 (2,473)		ate Base 319,539
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		(1,353)		(2,212)		(9,969)		(1,882)		(6,096)		(124)		
28				34										
13)				(113))			(113)				(113)		
Ó								(319)				(458)		
260)		(13,626)		(3,260))	(13,626)		(3,260)		(13,626)		(3,260)		(13,626
	^	(4.000)	¢	(7.400)	•	(40.047)	¢	(0.700)		(40,700)	^	(0.077)		(40.00)
39)	\$	(1,962)	\$	(7,162)) \$	(13,617)	\$	(8,799)	\$	(19,722)	\$	(6,677)	\$	(13,626
30	\$	317,577	\$	1,107	\$	305,922	\$	(530)	\$	299,817	\$	1,592	\$	305,913
				(1)				(1)		_	_			
5	639) 630 s w	539) \$ 530 \$ s with	539) \$ (1,962) 530 \$ 317,577 s with the Comp	639) \$ (1,962) \$ 630 \$ 317,577 \$ s with the Company's	639) \$ (1,962) \$ (7,162) 630 \$ 317,577 \$ 1,107 (1) s with the Company's Pro Form	639) \$ (1,962) \$ (7,162) \$ 630 \$ 317,577 \$ 1,107 \$ (1) s with the Company's Pro Forma \$	639) \$ (1,962) \$ (7,162) \$ (13,617) 630 \$ 317,577 \$ 1,107 \$ 305,922 (1) s with the Company's Pro Forma Study (\$4.5)	639) \$ (1,962) \$ (7,162) \$ (13,617) \$ 630 \$ 317,577 \$ 1,107 \$ 305,922 \$ (1) \$ (1) \$ s with the Company's Pro Forma Study (\$4.531 m) \$ \$	639) \$ (1,962) \$ (7,162) \$ (13,617) \$ (8,799) 630 \$ 317,577 \$ 1,107 \$ 305,922 \$ (530) (1) (1) (1) (1) s with the Company's Pro Forma Study (\$4.531 million) in error	639) \$ (1,962) \$ (7,162) \$ (13,617) \$ (8,799) \$ 630 \$ 317,577 \$ 1,107 \$ 305,922 \$ (530) \$ (1) (1) (1) (1) (1) s with the Company's Pro Forma Study (\$4.531 million) in error \$ (1) (1)	639) \$ (1,962) \$ (7,162) \$ (13,617) \$ (8,799) \$ (19,722) 630 \$ 317,577 \$ 1,107 \$ 305,922 \$ (530) \$ 299,817 (1) (1) (1) (1) s with the Company's Pro Forma Study (\$4.531 million) in error rather tha	639) \$ (1,962) \$ (7,162) \$ (13,617) \$ (8,799) \$ (19,722) \$ 630 \$ 317,577 \$ 1,107 \$ 305,922 \$ (530) \$ 299,817 \$ (1) (1) (1) (1) (1) \$ s with the Company's Pro Forma Study (\$4.531 million) in error rather than Avi \$ \$ \$	639) \$ (1,962) \$ (7,162) \$ (13,617) \$ (8,799) \$ (19,722) \$ (6,677) 630 \$ 317,577 \$ 1,107 \$ 305,922 \$ (530) \$ 299,817 \$ 1,592 (1) (1) (1) (1) (1)	639) \$ (1,962) \$ (7,162) \$ (13,617) \$ (8,799) \$ (19,722) \$ (6,677) \$ 630 \$ 317,577 \$ 1,107 \$ 305,922 \$ (530) \$ 299,817 \$ 1,592 \$ 630 \$ 317,577 \$ 1,107 \$ 305,922 \$ (530) \$ 299,817 \$ 1,592 \$ 630 \$ 317,577 \$ 1,107 \$ 305,922 \$ (10) \$ (10) \$ \$ 630 \$ 317,577 \$ 1,107 \$ 305,922 \$ (1530) \$ 299,817 \$ 1,592 \$ 630 \$ 1,107 \$ 305,922 \$ (10) \$ (10) \$ \$ \$ 630 \$ 317,577 \$ 1,107 \$ 305,922 \$ (1530) \$ 299,817 \$ 1,592 \$ 630 \$ 1,107 \$ 1,107 \$ 1,107 \$ 1,107 \$ 1,592 \$ 630 \$ 1,107 \$ 1,107 \$ 1,107 \$ 1,107 \$ 1,592 \$ 610 \$ 1,107 \$ 1,107 \$ 1,107 \$ 1,107 \$ 1,107 \$ 1,107 \$ 1,107 \$ 1,107 \$ 1,107 \$ 1,107 \$ 1,107 \$ 1,107 \$ 1,

result in Cost of Capital and Restate Debt Interest amounts compared to party exhibits because EOP Rate Base Study used a 50% / 50% capital structure, whereas the Pro Forma Study used 48.5% equity / 51.5% debt. Amounts shown in table above for each party's restate debt amount (line 3) therefore will also vary due to the use of Pro Forma Study results rather than as filed EOP Study by Avista.

(2) Per Huang Exh. JH-3, page 10.

(3) Mullin, Exh. BGM-4, page 1.

(4) Per M. Garrett, Exh. MEG-12, page 2.