

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

AVISTA CORPORATION D/B/A/ AVISTA UTILITIES

Respondent.

DOCKETS UE-220053, UG-220054, and UE-210854 (Consolidated)

**CROSS EXAMINATION EXHIBIT OF MARK T. THIES
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT MTT-__X

Avista's Confidential Response to Public Counsel's Data Request No. 330

September 14, 2022

AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	09/07/2022
CASE NO.:	UE-220053 & UG-220054	WITNESS:	Mark Thies
REQUESTER:	Public Counsel	RESPONDER:	Carly Guillory
TYPE:	Data Request	DEPT:	Finance
REQUEST NO.:	PC – 330	TELEPHONE:	(509) 495-2708
		EMAIL:	carly.guillory@avistacorp.com

SUBJECT:

Benefits Expense

REQUEST:

Refer to Rebuttal Testimony of Elizabeth M. Andrews, Exh. EMA-8C at 1, Retirement Plan. Please:

- a) Explain why the Service Cost decreases by \$6.0 million between 2022 and 2023.
- b) Explain why interest cost increases by \$5.1 million between 2022 and 2023.
- c) Explain why the Expected Return on Assets decreases by \$6.5 million from 2022 to 2023.
- d) Explain why the Loss Amortization increases by \$0.7 million between 2022 and 2023.

RESPONSE:

- a) The decrease in the service cost is due to the increase in the discount rate driven by higher rates.
- b) The increase in interest cost is due to higher interest rates.
- c) The expected return on assets decreased because the fair value of assets decreased due to poor market performance.
- d) The loss amortization increased due to actual returns being less than the expected return.