

AVISTA CORP.
RESPONSE TO REQUEST FOR INFORMATION

JURISDICTION:	WASHINGTON	DATE PREPARED:	10/20/2022
CASE NO:	220053-54-210854	WITNESS:	Patrick Ehrbar
REQUESTER:	Bench	RESPONDER:	Joe Miller
TYPE:	Bench Request	DEPT:	Regulatory Affairs
REQUEST NO.:	Bench Request No. 04	TELEPHONE:	(509) 495-4546
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REQUEST:

In Attachment A to the Settlement Stipulation, pages 1 and 5, the “Schedule 78 and Schedule 178 Tax Rate Credit” in Column I shows \$0 being passed back to customers in Rate Year 2. Consistent with Rate Year 1, please update Columns H and I for Rate Year 2 on pages 1 and 5 to show the increase to base rates prior to the application of the tax credit.

RESPONSE:

As described by Company witness Ehrbar during the oral hearing¹, pages 1 and 5 in Attachment A to the Settlement Stipulation illustrate the incremental change to billing revenue in both years of the rate plan.

Focusing on electric, in Rate Year 1 customers will experience an incremental change in overall rates of approximately \$24.2 million. This includes an increase in base rates of \$38.0 million, offset by the Tax Rate Credit of approximately \$13.8 million (the total Tax Customer Credit that would be applied over the two-year rate plan is \$27.6 million). That \$13.8 million annual amount will stay in place for each of the two years of the Rate Plan. Therefore, in Rate Year 2 customers will not experience an incremental change in rates related to the Tax Rate Credit because that Tax Rate Credit will already be reflected in customers rates as it is being returned over a two-year period. The approximate \$13.8 million in Tax Rate Credit will remain in customers rates until it expires at the end of the second year. In Rate Year 2, customers will only experience an incremental rate change related to the base rate increase of approximately \$12.5 million. It would be inappropriate to show an additional incremental offset from the Tax Rate Credit in Rate Year 2, as the approximate \$13.8 million is already reflected in the billed revenue shown in column G in Rate Year 2.

The same rationale applies to the natural gas incremental changes shown on page 5 of the Settlement Stipulation.

¹ Virtual Settlement Hearing transcript, p. 111, ln 12 – p. 113, ln 13
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