

DOCKETS UE-150204 & UG-150205  
JOINT ISSUES LIST - ELECTRIC  
September 14, 2015

Adj	ISSUE	DESCRIPTION	AVISTA - AS FILED		Effects of Partial Settlement (See Multiparty Settlement Stipulation Filed May 1, 2015)		Effects of Rebuttal (Filed September 4, 2015)		COMMISSION STAFF		PUBLIC COUNSEL (A)		ICNU		NWIGU		THE ENERGY PROJECT		
			Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.
#			\$'s in Thousands		\$'s in Thousands		\$'s in Thousands		\$'s in Thousands		\$'s in Thousands		\$'s in Thousands		\$'s in Thousands		\$'s in Thousands		
<b>ATTRITION STUDY</b>																			
1																			
2	2015 Attrition Study		\$33,229	\$1,464,296	\$16,851	\$1,464,296	\$16,851	\$1,464,296	(\$6,209)	\$1,362,276	(\$29,680)	\$1,301,385	Reject: (\$24,755)	\$1,305,032					
3																			
<b>PRO FORMA CROSS CHECK STUDY</b>																			
4	1.00 Results of Operations	Results of Operations - actual operating results and total net rate base experienced by the Company for the twelve-month period ending September 30, 2014 on an average-of-monthly-average (AMA) basis.	(\$14,435)	\$1,260,500	(\$17,891)	\$1,260,500	(\$17,891)	\$1,260,500	(\$17,891)	\$1,260,500	(\$17,891)	\$1,260,500	Reject: (\$15,475)						
5	1.01 Deferred FIT Rate Base	Reduces DFIT rate base balance to reflect the impact of expected tax deductions to be included in the Company's 2014 federal income tax return to be filed in 2015.	(\$631)	(\$6,009)	(\$616)	(\$6,009)	(\$616)	(\$6,009)	(\$616)	(\$6,009)	(\$616)	(\$6,009)							
6	1.02 Deferred Debits and Credits	Consolidation of previous Commission Basis or other restating rate base adjustments (Colstrip 3 AFUDC Elimination, Colstrip Common AFUDC, Kettle Falls Disallowance, Settlement Exchange Power, Restating CDA Settlement Deferral, Restating CDA/SSR, Spokane River Def, Spokane River PM&E, Montana Riverbed Lease, Lancaster Amortization, Customer Advances and Customer Deposits).	(\$1,880)	(\$7,399)	(\$1,861)	(\$7,399)	(\$1,861)	(\$7,399)	(\$1,861)	(\$7,399)	(\$1,861)	(\$7,399)							
7	1.03 Working Capital	Includes Working Capital using the Investor Supplied Working Capital (ISWC) methodology, including pension and other post-retirement benefit, and associated deferred federal income tax (DFIT) balances as current assets and current liabilities.	\$2,174	\$20,703	\$2,121	\$20,703	\$2,121	\$20,703	\$2,121	\$20,703	\$2,121	\$20,703							
8	2.01 Eliminate B & O Taxes	Eliminates the revenues and expenses associated with local business and occupation (B & O) taxes.	\$92	\$0	\$92	\$0	\$92	\$0	\$92	\$0	\$92	\$0							
9	2.02 Restate Property Tax	Restates the accrued property tax during the test period to actual property tax paid during 2014.	\$393	\$0	\$393	\$0	\$393	\$0	\$393	\$0	\$393	\$0							
10	2.03 Uncollect. Expense	Restates the accrued expense to the actual level of net write-offs for the test period.	\$1,171	\$0	\$1,171	\$0	\$1,171	\$0	\$1,171	\$0	\$1,171	\$0							
11	2.04 Regulatory Expense	Restates recorded regulatory expense for the twelve-months-ended September 30, 2014 to reflect the UTC assessment rates applied to revenues for the test period and the actual levels of FERC fees paid during the test period.	(\$78)	\$0	(\$78)	\$0	(\$78)	\$0	(\$78)	\$0	(\$78)	\$0							
12	2.05 Injuries and Damages	Replaces accrued injuries and damages expense with a six-year rolling average of actual injuries and damages payments not covered by insurance.	\$253	\$0	\$253	\$0	\$253	\$0	\$253	\$0	\$253	\$0							
13	2.06 FIT/DFIT/ ITC/PTC Expense	Adjusts the FIT and DFIT calculated at 35% within Results of Operations by removing the effect of certain Schedule M items, revising the Section 199 Manufacturing Permanent M Deduction accrued during the test period to the actual Schedule M deduction taken per the 2013 tax return filed in September 2014, and adjusts the appropriate level of production tax credits and investment tax credits on qualified generation.	\$344	\$0	\$344	\$0	\$344	\$0	\$344	\$0	\$344	\$0							
14	2.07 Office Space Charges to Subsidiaries	Removes the remaining portion of office space costs associated with subsidiary/non-utility activities not previously removed during the test period.	(\$17)	\$0	(\$17)	\$0	(\$17)	\$0	(\$17)	\$0	(\$17)	\$0							
15	2.08 Restate Excise Taxes	Removes the effect of a one-month lag between collection and payment of taxes.	(\$66)	\$0	(\$66)	\$0	(\$204)	\$0	(\$204)	\$0	(\$66)	\$0							
16	2.09 Net Gains / Losses	Ten-year amortization of net gains realized from the sale of real property disposed of between 2005 and September 30, 2014.	(\$85)	\$0	(\$85)	\$0	(\$94)	\$0	(\$51)	\$0	(\$85)	\$0							

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				Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base
17	2.10	Weather Normalization	Adjustment normalizes weather sensitive kWh sales by eliminating the effect of temperature deviations above or below historical norms.	\$7,056	\$0	\$7,056	\$0	\$7,056	\$0	\$7,056	\$0	\$7,056	\$0						
18	2.11	Eliminate Adder Schedules	Removes the impact of the adder schedule revenues and related expenses, such as Schedule 91 Tariff Rider (DSM), Schedule 92 Low Income Rate Assistance Program Rate, Schedule 93 ERM rebate, Schedule 94 BPA rebate, and Schedule 59 Residential Exchange credit, since these items are recovered/rebated by separate tariffs and, therefore, are not part of base rates.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0						
19	2.12	Misc. Restating Expenses	Removes a number of non-operating or non-utility expenses associated with dues and donations, etc., included in error in the test period actual results, and removes or restates other expenses incorrectly charged between service and or jurisdiction.	\$2	\$0	\$2	\$0	\$2	\$0	\$2	\$0	\$2	\$0						
20	2.13	Eliminate WA Power Cost Defer	Removes the effects of the financial accounting for the Energy Recovery Mechanism (ERM.)	(\$2,747)	\$0	(\$2,747)	\$0	(\$2,747)	\$0	(\$2,747)	\$0	(\$2,747)	\$0						
21	2.14	Nez Perce Settlement Adjustment	This adjustment directly assigns the Nez Perce Settlement expenses to the Washington and Idaho jurisdictions based on differing regulatory treatment in Idaho Case No. WWP-E-98-11 and Washington Docket No. UE-991606.	\$15	\$0	\$15	\$0	\$15	\$0	\$15	\$0	\$15	\$0						
22	2.15	Restate Debt Interest	Restates debt interest using the Company's pro forma weighted average cost of debt.	\$1,189	\$0	\$1,402	\$0	\$1,402	\$0	\$1,402	\$0	\$1,402	\$0						
23	2.16	Restate Incentive Expenses	Restates actual incentives included in the Company's test period ending September 30, 2014, to reflect a six-year average of payout percentages.	(\$1,175)	\$0	(\$1,175)	\$0	(\$1,175)	\$0	(\$1,175)	\$0	(\$1,175)	\$0						
24	2.17	Regulatory Amortization Restating Adj.	Removes various amortization expenses included in the Company's test period that expire prior to the 2016 rate year. The expiring regulatory amortizations include: 1) 2011 deferred Colstrip and Coyote Springs 2 thermal maintenance expense; 2) BPA Settlement Deferral; 3) Canada to Northern California (CNC) Transmission Project; 4) LIDAR O&M and Deferred O&M; and 5) Wartsila Generator (Small Gen) expenses	(\$2,587)	\$0	(\$2,587)	\$0	(\$2,587)	\$0	(\$2,587)	\$0	(\$2,587)	\$0						
28	PC-E2.18	Long Term Incentive Plan Expense	This adjustment removes the LTIP expenses that remain in the test year.							(\$250)		(\$250)	\$0						
25	3.00	Pro Forma Power Supply (1)	This adjustment includes pro forma power supply related revenue and expenses to reflect the twelve-month period January 1, 2016 through December 31, 2016, using historical loads.	\$3,952	\$0	(\$10,769)	\$0	(\$13,244)	\$0	(\$13,244)	\$0	(\$13,244)	\$0						
26	3.01	Pro Forma Transmission Rev/Exp	This adjustment includes pro forma transmission-related revenues and expenses to reflect the twelve-month period January 1, 2016 through December 31, 2016.	\$114	\$0	\$114	\$0	\$89	\$0	(\$95)	\$0	\$114	\$0						
27	3.02	Pro Forma Labor Non-Exec	Reflects changes to test period union and non-union wages and salaries to reflect increases through 2016.	\$4,037	\$0	\$4,037	\$0	\$4,037	\$0	\$3,020	\$0	\$1,711	\$0	Reject \$0					
28	3.03	Pro Forma Labor Exec	Reflects changes to reflect an annualized 2014 level of allocated executive officer salaries.	\$231	\$0	\$231	\$0	\$231	\$0	\$127	\$0	\$231	\$0	Reject: (\$270)					
29	3.04	Pro Forma Employee Benefits	Adjusts for changes in both the Company's pension and medical insurance expense.	\$2,500	\$0	\$2,500	\$0	\$3,351	\$0	\$3,696	\$0	\$3,415	\$0	Reject: (\$3,415)					
30	3.05	Pro Forma Insurance Expense	Adjusts actual test period insurance expense related to the utility for general liability, directors and officers ("D&O") liability, and property to reflect the expected 2016 level of insurance.	\$272	\$0	\$272	\$0	\$180	\$0	\$0	\$0	(\$56)	\$0						
31	3.06	Pro Forma Property Tax	Restates the 2014 level of property tax expense to the 2016 level of expense.	\$3,335	\$0	\$3,335	\$0	\$3,335	\$0	\$3,335	\$0	\$1,182	\$0	Reject: \$1,182					

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				Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base
32	3.07	Pro Forma Information Tech/Serv Exp	Includes the incremental costs associated with software development, application licenses, maintenance fees, and technical support for a range of information services programs.	\$1,760	\$0	\$1,760	\$0	\$1,760	\$0	\$352	\$0	\$0	\$0						
33	3.08	Pro Forma Lake Spokane Deferral	Reflects a three-year amortization of the deferred costs related to improving dissolved oxygen levels in Lake Spokane as approved in Docket No. UE-140188.	\$305	\$0	\$305	\$0	\$305	\$0	\$305	\$0	\$305	\$0						
34	3.09	Pro Forma Revenue Normalization	Revenue repricing of the 2015 authorized rates approved in Docket No. UE-140188.	(\$16,361)	\$0	(\$16,361)	\$0	(\$16,361)	\$0	(\$16,361)	\$0	(\$16,361)	\$0						
35	3.10	Pro Forma Major Maint-Hydro Thermal, Other (1)	Adjusts for the incremental increase in major maintenance expense planned for in 2016 above that included in the test period on the Company's hydro, thermal and other generating plants.	\$2,532	\$0	\$5,332	\$0	\$1,004	\$0	\$0	\$0	\$0	\$0	Reject: \$2,705					
36	3.11	Planned Capital Add Dec 2014 EOP	Reflects the additional October through December 2014 capital additions together with the associated accumulated depreciation (A/D) and accumulated deferred federal income taxes (ADFIT) at a December 2014 EOP basis.	\$8,724	\$35,098	\$8,633	\$35,098	\$8,633	\$35,098	\$2,319	(\$4,371)	\$0	\$0	Reject: \$2,440	Reject: (\$3,100)				
36	3.12U	Planned Capital Add Dec 2014 EOP - Update	Adjusts rate base and related expenses to actual balances as of December 31, 2014. This adjustment includes updated Accumulated Deferred Federal Income Taxes (ADFIT), mainly due to the effect of including Bonus Depreciation for tax purposes, approved in December 2014; updating the Washington share of the allocated "Tax Repairs Adjustment" originally recorded in September 2014, as well as other prior period ADFIT true-up adjustments recorded in February 2015. Lastly, this adjustment updates rate base and related expenses for updating allocation factors, including the Production/Transmission (P/T) Ratio, which is done annually in December.					(\$6,324)	(\$39,469)										
37	3.13	WA CS2 & Colstrip O&M	Reflects the incremental expenses associated with Coyote Springs 2 & Colstrip. Previously included under 3.10. See: JLB-1T.							(\$291)	\$0								
38	PC-E3.13	Updated Repairs Tax Deduction	Reflects Company update/revision to the Repairs Tax Deduction book after the test year.							\$0	\$0	(\$1,892)	(\$18,470)						
39	4.01	Planned Capital Add 2015 EOP	Reflects the additional 2015 capital additions together with the associated A/D and ADFIT at a December 31, 2015 EOP basis.	\$26,171	\$149,733	\$25,786	\$149,733	\$24,040	\$129,290	\$11,075	\$58,095	\$0	\$0	Reject: \$8,010	Reject: \$40,337				
40	PC-E4.01	Major Capital Additions	Reflects major capital additions placed into service after the September 30, 2014 Test Year End									\$9,441	\$52,060						
41	4.02	Planned Capital Add 2016 AMA	Reflects 2016 capital additions together with the associated A/D and ADFIT at a 2016 AMA basis.	\$2,461	(\$3,071)	\$2,469	(\$3,071)	\$2,982	\$11,049	\$0	\$0	\$0	\$0	Reject: \$0	Reject: \$0				
42	4.03	Meter Retirement	Includes for regulatory purposes, the regulatory asset and amortization expense related to the transfer of the net book value of the existing Washington electric meters from electric distribution plant to a regulatory asset. The Company is proposing to amortize this regulatory asset balance over a ten-year period, starting in January of 2016.	\$4,255	\$20,276	\$4,202	\$20,276	\$0	\$0	\$0	\$0	\$0	\$0	Reject: \$0	Reject: \$0				
43	4.04	O&M Offsets	2014 (October through December), 2015 and 2016 capital additions were reviewed for any O&M offsets that were expected in the 2016 rate period.	(\$205)	\$0	(\$205)	\$0	(\$303)	\$0	(\$499)	\$0	\$0	\$0	Reject: \$0					

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44	4.06N	Colstrip Refund Non-Recurring	Removes a non-reoccurring (one-time) Colstrip Settlement Refund credited to expense in 2014					\$1,142	\$0											
45	4.05	Reconcile Pro Forma To Attrition	Represents the difference between the Pro Forma Cross Check Study and the Attrition Study.	\$160	(\$5,535)	(\$516)	(\$5,535)	\$3,205	(\$10,905)	\$0	\$0	\$0	\$0	Reject: \$0	Reject: \$0					
46																				
47			<b>Revenue Requirement*</b>	\$ 33,229	\$ 1,464,296	\$ 16,851	\$ 1,464,296	\$ 3,639	\$ 1,392,858	\$ (20,889)	\$ 1,321,519	\$ (29,678)	\$ 1,301,385	\$ (17,404)						
48																				
49			* Partial Settlement Revenue Requirement reflects agreed-upon Cost of Capital, Power Supply adjustments, and removal of Pro Forma Major Maintenance Colstrip and CS2 incremental expenses from Pro Forma Power Supply (3.00).																	

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50																			
51	OTHER ISSUES																		
52	Colstrip and CS2 O&M Expense			Per Settlement Agreement Section III. 5. b. iv. O&M costs related to Coyote Springs 2 and Colstrip were removed from base Power Supply costs. The effect of this adjustment reduced power supply expense by approximately \$3.6 million (WA basis). The revenue requirement related to these costs will be addressed during the remainder of the case. (Expense amount included above in major maintenance adjustment 3.10.)				Defers only the "hours of operation based" major maintenance expense required for the Company's CS2, Rathdrum and Boulder Park thermal generation facilities going forward. These are major maintenance expenses that the Company will incur when these generators hit a specific number of operating hours. The Company is proposing that Washington's share of the actual major maintenance expenses associated with these projects be deferred in the year they occur; with the first expected in 2016. The balance would be amortized over a four-year period beginning January 1st of the following year. There would be no carrying charge on the		Staff's adjustment separates Coyote Springs 2 and Colstrip O&M Costs from adjustment 3.10 and includes them as a separate adjustment 3.13				Addressed in adjustment 3.10					
53	LIRAP Funding Proposal							Establishes a five-year LIRAP funding plan that increases Schedule 92 electric LIRAP funding each year by two times the final approved base rate increase for Schedule 1 customers, or 7.0 percent, whichever is greater.		Establishes a five-year funding plan that increases the total LIRAP budget by \$475,000 per year for five years, or by twice the percentage increase of the residential revenue requirement, whichever is greater. The revenue is allocated 65.07% to electric and 34.93% natural gas.		Joint proposal with The Energy Project; 5-year funding plan that increases funding each year by an amount that is equal to twice the percentage of the final residential bill impact to customers resulting from the rate case, or 10 percent of the previous year's LIRAP budget, whichever is greater.							Joint proposal with Public Counsel; 5-year funding plan that increases funding each year by an amount that is equal to twice the percentage of the final residential bill impact to customers resulting from the rate case, or 10 percent of the previous year's LIRAP budget, whichever is greater.
54	Advanced Metering Infrastructure Proposal							Seeks order from Commission to proceed, with prudence finding in future cases. No cost recovery included in this case. Finally, Avista proposes that the regulatory asset be established coincident with the month in which it signs a contract with a vendor to provide new AMI meters. Avista proposes that the amortization of the balance occur over a ten-year period beginning January 2017, with a rate of return on the unamortized balance.				Joint proposal with The Energy Project. Decline to approve AMI proposal at this time because expenses have not been fully developed, costs are not known and measurable, the project is not used and useful, benefits have not been proven, and the project has not been shown to be prudent or cost effective.							Joint proposal with Public Counsel. Decline to approve AMI proposal at this time because expenses have not been fully developed, costs are not known and measurable, the project is not used and useful, benefits have not been proven, and the project has not been shown to be prudent or cost effective.
55	Corporate Jet			Based on the \$1.8 million corporate jet cost included in the Company's overall results, this adjustment represents the difference between the Company's costs and what ICNU finds to be prudent										\$ (806)					

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56				<b>PARTIAL SETTLEMENT OF ISSUES</b> See Multiparty Settlement Stipulation filed May 1, 2015															
57				<b>AVISTA</b>		<b>Effects of Partial Settlement</b>		<b>Avista Rebuttal</b>		<b>COMMISSION STAFF</b>		<b>PUBLIC COUNSEL</b>		<b>ICNU</b>		<b>NWIGU</b>		<b>THE ENERGY PROJECT</b>	
58																			
59				<b>COST OF CAPITAL</b>															
60					9.90%		9.50%		See Partial Settlement				9.50%						
61					5.20%		5.20%		See Partial Settlement				5.20%						
62					48.0% Equity		48.5% Equity		See Partial Settlement				48.5% Equity						
63					7.46%		7.29%		See Partial Settlement				7.29%						
64																			
65				<b>COST OF SERVICE/RATE SPREAD/RATE DESIGN</b>															
66					Variable based on Cost of Service Study results.		Equal Percentage of Revenue		See Partial Settlement				Equal Percentage of Revenue						
67					<ul style="list-style-type: none"> <li>Increase Basic Charge to \$14/month</li> <li>Uniform C increase to Blocks</li> </ul>		<ul style="list-style-type: none"> <li>No Change in Basic Charge (\$8.50/month)</li> <li>Uniform C increase to Blocks</li> </ul>		See Partial Settlement				<ul style="list-style-type: none"> <li>No Change in Basic Charge (\$8.50/month)</li> <li>Uniform C increase to Blocks</li> </ul>						
68					<ul style="list-style-type: none"> <li>Increase Customer Charge from \$18.00 to \$20.00</li> <li>Increase Demand from \$6.00 to \$6.50/kW</li> </ul>		<ul style="list-style-type: none"> <li>Increase Customer Charge from \$18.00 to \$20.00</li> <li>Increase Demand from \$6.00 to \$6.50</li> <li>Uniform % Blocks</li> </ul>		See Partial Settlement										
69					<ul style="list-style-type: none"> <li>Minimum Demand remains at \$500/month</li> <li>Increase Demand from \$6.00 to \$6.50/kW</li> <li>Uniform % Blocks</li> </ul>		<ul style="list-style-type: none"> <li>Minimum Demand remains at \$500/month</li> <li>Increase Demand from \$6.00 to \$6.50</li> <li>Uniform % Blocks</li> </ul>		See Partial Settlement										
70					<ul style="list-style-type: none"> <li>Minimum Demand remains at \$21000/month</li> <li>Increase Demand from \$6.00 to \$6.50/kVA</li> <li>Uniform % Blocks</li> </ul>		Uniform percentage basis to the three energy block rates; however, the increase to the third energy block will be adjusted, so that the largest customer served on Schedule 25 receives the same percentage increase as the overall revenue increase in this case. The demand charge for the first 3,000 kVa will remain \$21,000/month, and variable demand charge will remain at \$6.00 per kVa.		See Partial Settlement										
71					<ul style="list-style-type: none"> <li>Increase Customer Charge from \$18.00 to \$20.00</li> <li>Uniform % Blocks</li> </ul>		<ul style="list-style-type: none"> <li>Increase Customer Charge from \$18.00 to \$20.00</li> <li>Uniform % Blocks</li> </ul>		See Partial Settlement										
72					<ul style="list-style-type: none"> <li>Uniform Percentage Increase</li> <li>Street Light Methodology PDE-1T pp. 14-16</li> </ul>		<ul style="list-style-type: none"> <li>Uniform Percentage Increase</li> <li>Street Light Methodology PDE-1T pp. 14-16 adopted</li> </ul>		See Partial Settlement										
73					Annual Rate Adjustment starting July 1, 2016		ERM rate adjustment trigger will remain at \$30 million, as approved in Docket UE-120436.		See Partial Settlement										
74					<ul style="list-style-type: none"> <li>Renamed LCAR.</li> <li>Proposed to be the Average Wholesale Market Price of Energy.</li> </ul>		Renamed Retail Revenue Adjustment. Methodology will stay the same as approved in Docket UE-140188.		See Partial Settlement										

(A) Public Counsel Column includes positions for which Public Counsel is Neutral in its Direct Testimony. For items that parties are neutral in direct, parties may adopt, support, or oppose other parties' positions and develop a recommendation in later stages of this proceeding, including on brief. This issues list does not include positions that may be taken in rebuttal or cross-answering testimony.

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1	Adj.	ISSUE	DESCRIPTION	AVISTA - AS FILED		Effects of Partial Settlement (See Multiparty Settlement Stipulation Filed May 1, 2015)		Effects of Rebuttal (Filed September 4, 2015)		COMMISSION STAFF		PUBLIC COUNSEL (A)		ICNU	NWIGU		THE ENERGY PROJECT	
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				\$'s in Thousands	\$'s in Thousands	\$'s in Thousands	\$'s in Thousands	\$'s in Thousands	\$'s in Thousands	\$'s in Thousands	\$'s in Thousands	\$'s in Thousands	\$'s in Thousands		\$'s in Thousands	\$'s in Thousands	\$'s in Thousands	\$'s in Thousands
<b>ATTRITION STUDY</b>																		
2																		
3		2015 Attrition Study		\$12,021	\$286,086	\$11,286	\$286,086	\$11,286	\$286,086	\$9,040	\$295,596	\$3,337	\$252,365		\$0	\$0		
4																		
<b>PRO FORMA CROSS CHECK STUDY</b>																		
5																		
6	1.00	Per Results Report	Results of Operations - actual operating results and total net rate base experienced by the Company for the twelve-month period ending September 30, 2014 on an average-of-monthly-average (AMA) basis.	\$3,895	\$233,475	\$3,255	\$233,475	\$3,255	\$233,475	\$3,255	\$233,475	\$3,255	\$233,475		\$3,255	\$233,475		
7	1.01	Deferred FIT Rate Base	Reduces rate base to reflect the impact of expected tax deductions to be included in the Company's 2014 federal tax return to be filed in 2015.	(\$318)	(\$3,032)	(\$311)	(\$3,032)	(\$311)	(\$3,032)	(\$311)	(\$3,032)	(\$311)	(\$3,032)					
8	1.02	Deferred Debits and Credits	Consolidation of previous Commission Basis or other restating rate base adjustments (Customer Advances and Customer Deposits).	\$1	\$0	\$1	\$0	\$1	\$0	\$1	\$0	\$1	\$0					
9	1.03	Working Capital	Includes Working Capital using the Investor Supplied Working Capital (ISWC) methodology, including pension and other post-retirement benefit, and associated deferred federal income tax (DFIT) balances as current assets and current liabilities.	\$1,089	\$10,371	\$1,062	\$10,371	\$1,062	\$10,371	\$1,062	\$10,371	\$1,062	\$10,371					
10	2.01	Eliminate B & O Taxes	Eliminates the revenues and expenses associated with local business and occupation (B & O) taxes.	\$12	\$0	\$12	\$0	\$12	\$0	\$12	\$0	\$12	\$0					
11	2.02	Restate Property Tax	Restates the accrued property tax during the test period to actual property tax paid during 2014.	\$84	\$0	\$84	\$0	\$84	\$0	\$84	\$0	\$84	\$0					
12	2.03	Uncollectible Expense	Restates the accrued expense to the actual level of net write-offs for the test period.	(\$157)	\$0	(\$157)	\$0	(\$157)	\$0	(\$157)	\$0	(\$157)	\$0					
13	2.04	Regulatory Expense	Restates recorded regulatory expense for the twelve-months-ended September 30, 2014 to reflect the UTC assessment rates applied to revenues for the test period and the actual levels of FERC fees paid during the test period.	\$34	\$0	\$34	\$0	\$34	\$0	\$34	\$0	\$34	\$0					
14	2.05	Injuries and Damages	Replaces accrued injuries and damages expense with a six-year rolling average of actual injuries and damages payments not covered by insurance.	\$293	\$0	\$293	\$0	\$293	\$0	\$293	\$0	\$293	\$0					
15	2.06	FIT/DFIT Expense	Adjusts the FIT and DFIT calculated at 35% within Results of Operations by removing the effect of certain Schedule M items and reflecting the proper level of deferred tax expense for the test period.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0					
16	2.07	Office Space Charges to Subs	Removes the remaining portion of office space costs associated with subsidiary/non-utility activities not previously removed during the test period.	(\$2)	\$0	(\$2)	\$0	(\$2)	\$0	(\$2)	\$0	(\$2)	\$0					
17	2.08	Restate Excise Taxes	Removes the effect of a one-month lag between collection and payment of taxes.	\$344	\$0	\$344	\$0	\$0	\$0	(\$66)	\$0	\$344	\$0					
18	2.09	Net Gains/Losses	Ten-year amortization of net gains realized from the sale of real property disposed of between 2005 and September 30, 2014.	(\$5)	\$0	(\$5)	\$0	(\$5)	\$0	(\$5)	\$0	(\$5)	\$0					

DOCKETS UE-150204 & UG-150205  
 JOINT ISSUES LIST - NATURAL GAS  
 September 14, 2015

	Adj.	ISSUE	DESCRIPTION	AVISTA - AS FILED		Effects of Partial Settlement (See Multiparty Settlement Stipulation Filed May 1, 2015)		Effects of Rebuttal (Filed September 4, 2015)		COMMISSION STAFF		PUBLIC COUNSEL (A)		ICNU	NWIGU		THE ENERGY PROJECT	
	#			Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.
19	2.10	Weather Normalization / Gas Cost Adjust	Adjustment normalizes weather sensitive gas therm sales by eliminating the effect of temperature deviations above or below historical norms. This adjustment also restates therms sold to reflect the weather normalized therms and then reprices the adjusted therms sold based upon the authorized weighted average cost of gas.	\$801	\$0	\$801	\$0	\$801	\$0	\$801	\$0	\$801	\$0					
20	2.11	Eliminate Adder Schedules	Removes the impact of the adder schedule revenues and related expenses, such as Schedule 91 Tariff Rider (DSM), Schedule 92 Low Income Rate Assistance Program Rate, Schedule 93 ERM rebate, Schedule 94 BPA rebate, and Schedule 59 Residential Exchange credit, since these items are recovered/rebated by separate tariffs and, therefore, are not part of base rates.	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0					
21	2.12	Misc Restating Adjustments	Removes a number of non-operating or non-utility expenses associated with dues and donations, etc., included in error in the test period actual results, and removes or restates other expenses incorrectly charged between service and or jurisdiction.	\$5	\$0	\$5	\$0	\$5	\$0	\$5	\$0	\$5	\$0					
22	2.13	Restating Incentive Adjustment	Restates actual incentives included in the Company's test period ending September 30, 2014, to reflect a six-year average of payout percentages.	(\$349)	\$0	(\$349)	\$0	(\$349)	\$0	(\$349)	\$0	(\$349)	\$0					
23	2.14	Restate Debt Interest	Restates debt interest using the Company's pro forma weighted average cost of debt.	\$219	\$0	\$260	\$0	\$260	\$0	\$0	\$0	\$260	\$0					
24	PC-G2.15/Staff 2.15	Long Term Incentive Plan Expense	This adjustment removes the LTIP expenses that remain in the test year.							(\$74)	\$0	(\$74)	\$0					
25	3.00	Pro Forma Labor Non-Exec	Reflects changes to test period union and non-union wages and salaries to reflect increases through 2016.	\$1,209	\$0	\$1,209	\$0	\$1,209	\$0	\$905	\$0	\$516	\$0					
26	3.01	Pro Forma Labor Exec	Reflects changes to reflect an annualized 2014 level of allocated executive officer salaries.	\$52	\$0	\$52	\$0	\$52	\$0	\$23	\$0	\$52	\$0					
27	3.02	Pro Forma Employee Benefits	Adjusts for changes in both the Company's pension and medical insurance expense.	\$751	\$0	\$751	\$0	\$1,009	\$0	\$1,113	\$0	\$1,027	\$0					
28	3.03	Pro Forma Insurance	Adjusts actual test period insurance expense related to the utility for general liability, directors and officers ("D&O") liability, and property to reflect the expected 2016 level of insurance.	\$81	\$0	\$81	\$0	\$48	\$0	\$0	\$0	(\$16)	\$0					
29	3.04	Pro Forma Property Tax	Restates the 2014 level of property tax expense to the 2016 level of expense.	\$531	\$0	\$531	\$0	\$531	\$0	\$531	\$0	\$211	\$0					
30	3.05	Pro Forma Information Tech/Serv Exp	Includes the incremental costs associated with software development, application licenses, maintenance fees, and technical support for a range of information services programs.	\$432	\$0	\$432	\$0	\$432	\$0	\$15	\$0	\$0	\$0					
31	3.06	Pro Forma Revenue Normalization	Revenue repricing of the 2015 authorized rates approved in Docket No. UE-140188.	(\$8,935)	\$0	(\$8,935)	\$0	(\$8,935)	\$0	(\$8,935)	\$0	(\$8,935)	\$0					



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				Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base		Rev. Req.	Rate Base	Rev. Req.	Rate Base
32	3.07	Planned Capital Add Dec 2014 EOP	Reflects the additional October through December 2014 capital additions together with the associated accumulated depreciation (A/D) and accumulated deferred federal income taxes (ADFIT) at a December 2014 EOP basis.	\$1,486	\$2,960	\$1,478	\$2,960	\$1,478	\$2,960	\$579	\$3,388	\$0	\$0					
33	3.07U	Planned Capital Add Dec 2014 EOP - Update	Adjusts rate base and related expenses to actual balances as of December 31, 2014. This adjustment includes updated Accumulated Deferred Federal Income Taxes (ADFIT), mainly due to the effect of including Bonus Depreciation for tax purposes, approved in December 2014; updating the Washington share of the allocated "Tax Repairs Adjustment" originally recorded in September 2014, as well as other prior period ADFIT true-up adjustments recorded in February 2015.					(\$899)	\$428									
34	PC-G3.07	Actual September 2014 EOP	Reflects Plant in Service at actual September 2014 EOP balances									\$689	(\$1,524)					
35	PC-G3.08	Updated Repairs Tax Deduction	Reflects Company update/revision to the Repairs Tax Deduction book after the test year.									(\$309)	(\$3,013)					
36	4.01	Planned Capital Add 2015 EOP	Reflects the additional 2015 capital additions together with the associated A/D and ADFIT at a December 31, 2015 EOP basis.	\$5,652	\$28,691	\$5,578	\$28,691	\$5,235	\$25,955	\$3,091	\$16,065							
37	PC-G4.01	Major Capital Additions	Reflects major capital additions placed into service after the September 30, 2014 Test Year End									\$2,910	\$16,088					
38	4.02	Planned Capital Add 2016 AMA	Reflects 2016 capital additions together with the associated A/D and ADFIT at a 2016 AMA basis.	\$1,551	\$5,706	\$1,536	\$5,706	\$594	\$1,707	\$0	\$0	\$0	\$0					
39	4.03	Project Compass Deferral, Regulatory Amortization	Includes the amortization expense associated with a proposed two-year amortization of the deferred natural gas revenue requirement amount associated with the Company's Project Compass Customer Information System (CIS) for calendar year 2015 (deferral approved in Docket No. UG-140189) .	\$1,198	\$0	\$1,198	\$0	\$1,198	\$0	\$990	\$0	\$1,198	\$0					
40	4.04	O&M Offsets	(October through December) 2014, 2015 and 2016 capital additions were reviewed for any O&M offsets that were expected in the 2016 rate period.	(\$82)	\$0	(\$82)	\$0	(\$80)	\$0	(\$29)	\$0	\$0	\$0					
41	4.05	Pro Forma Atmospheric Testing	Adjusts the test period expense for atmospheric corrosion expense to the expected 2016 level of expense.	\$741	\$0	\$741	\$0	\$741	\$0	\$741	\$0	\$741	\$0					
42	4.06	Reconcile Pro Forma To Attrition	Represents the difference between the Pro Forma Cross Check Study and the Attrition Study.	\$1,410	\$7,915	\$1,390	\$7,915	\$2,413	\$12,591	\$0	\$0	\$0	\$0					
43			<b>Revenue Requirement*</b>	<b>\$12,021</b>	<b>\$286,086</b>	<b>\$11,286</b>	<b>\$286,086</b>	<b>\$10,009</b>	<b>\$284,455</b>	<b>\$3,607</b>	<b>\$260,267</b>	<b>\$3,336</b>	<b>\$252,365</b>					
44		* Partial Settlement Revenue Requirement reflects agreed-upon Cost of Capital.																
45																		

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				Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base		Rev. Req.	Rate Base	Rev. Req.	Rate Base
46	#	OTHER ISSUES																
47		LIRAP Funding Proposal						Establishes a five-year LIRAP funding plan that increases Schedule 192 natural gas LIRAP funding each year by two times the final approved base rate increase for Schedule 101 customers, or 7.0 percent, whichever is greater.		Establishes a five-year funding plan that increases the total LIRAP budget by \$475,000 per year for five years, or by twice the percentage increase of the residential revenue requirement, whichever is greater. The revenue is allocated 65.07% to electric and 34.93% natural gas.		Joint proposal with The Energy Project; 5-year funding plan that increases funding each year by an amount that is equal to twice the percentage of the final residential bill impact to customers resulting from the rate case, or 10 percent of the previous year's LIRAP budget, whichever is greater.					Joint proposal with Public Counsel; 5-year funding plan that increases funding each year by an amount that is equal to twice the percentage of the final residential bill impact to customers resulting from the rate case, or 10 percent of the previous year's LIRAP budget, whichever is greater.	
48		Advanced Metering Infrastructure Proposal						Seeks order from Commission to proceed, with prudence finding in future cases. No cost recovery included in this case. Finally, Avista proposes that the regulatory asset be established coincident with the month in which it signs a contract with a vendor to provide new AMI meters. Avista proposes that the amortization of the balance occur over a ten-year period beginning January 2017, with a rate of return on the				Joint proposal with The Energy Project. Decline to approve AMI proposal at this time because expenses have not been fully developed, costs are not known and measurable, the project is not used and useful, benefits have not been proven, and the project has not been shown to be prudent or cost effective.					Joint proposal with Public Counsel. Decline to approve AMI proposal at this time because expenses have not been fully developed, costs are not known and measurable, the project is not used and useful, benefits have not been proven, and the project has not been shown to be prudent or cost effective.	
49																		

DOCKETS UE-150204 & UG-150205  
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	Adj.	ISSUE	DESCRIPTION	AVISTA - AS FILED		Effects of Partial Settlement (See Multiparty Settlement Stipulation Filed May 1, 2015)		Effects of Rebuttal (Filed September 4, 2015)		COMMISSION STAFF		PUBLIC COUNSEL (A)		ICNU	NWIGU		THE ENERGY PROJECT	
				Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.
50			PARTIAL SETTLEMENT OF ISSUES See Multiparty Settlement Stipulation filed May 1, 2015															
51				AVISTA		Effects of Partial Settlement		Avista Rebuttal		COMMISSION STAFF		PUBLIC COUNSEL		ICNU	NWIGU		THE ENERGY PROJECT	
52																		
53		<b>COST OF CAPITAL</b>																
54		Cost of Capital - Return on Equity		9.90%		9.50%		See Partial Settlement				9.50%				9.50%		
55		Cost of Capital - Cost of Debt		5.20%		5.20%		See Partial Settlement				5.20%				5.20%		
56		Cost of Capital - Capital Structure		48.0% Equity		48.5% Equity		See Partial Settlement				48.5% Equity				48.5% Equity		
57		Rate of Return		7.46%		7.29%		See Partial Settlement				7.29%				7.29%		
58																		
59																		
60		<b>COST OF SERVICE/RATE SPREAD/RATE DESIGN</b>																
61		Rate Spread		40% Movement towards Unity		Equal Percentage of Margin		See Partial Settlement				Equal Percentage of Margin				Equal Percentage of Margin		
62		Rate Design - Schedule 101		<ul style="list-style-type: none"> <li>Basic Charge to \$12.00/month</li> <li>Uniform percentage to Blocks 1 and 2</li> </ul>		<ul style="list-style-type: none"> <li>Basic Charge remains at \$9.00/month</li> <li>Uniform percentage to Blocks 1 and 2</li> </ul>		See Partial Settlement				<ul style="list-style-type: none"> <li>Basic Charge remains at \$9.00/month</li> <li>Uniform percentage to Blocks 1 and 2</li> </ul>						
63		Rate Design - Schedule 111		<ul style="list-style-type: none"> <li>Increase Minimum Charge based on Schedule 101 Basic &amp; Volumetric Changes</li> <li>Remaining uniform percentage to Blocks 2 and 3</li> </ul>		<ul style="list-style-type: none"> <li>Increase Minimum Charge based on Schedule 101 Basic &amp; Volumetric Changes</li> <li>Remaining uniform percentage to Blocks 2 and 3</li> </ul>		See Partial Settlement										
64		Rate Design - Schedule 121		<ul style="list-style-type: none"> <li>Increase Minimum Charge based on Schedule 101 Basic &amp; Volumetric Changes</li> <li>Remaining equal percentage to Blocks 2, 3 and 4</li> </ul>		<ul style="list-style-type: none"> <li>Increase Minimum Charge based on Schedule 101 Basic &amp; Volumetric Changes</li> <li>Remaining equal percentage to Blocks 2, 3 and 4</li> </ul>		See Partial Settlement										
65		Rate Design - Schedule 131		<ul style="list-style-type: none"> <li>Uniform percentage to the blocks</li> </ul>		<ul style="list-style-type: none"> <li>Uniform percentage to the blocks</li> </ul>		See Partial Settlement										
66		Rate Design - Schedule 146		<ul style="list-style-type: none"> <li>Increase Minimum Demand from \$500 to \$525</li> <li>Remaining to blocks on uniform percentage basis</li> </ul>		<ul style="list-style-type: none"> <li>Increase Minimum Demand from \$500 to \$525</li> <li>Remaining to blocks on uniform percentage basis</li> </ul>		See Partial Settlement								<ul style="list-style-type: none"> <li>Increase Minimum Demand from \$500 to \$525</li> <li>Remaining to blocks on uniform percentage basis</li> </ul>		

(A) Public Counsel Column includes positions for which Public Counsel is Neutral in its Direct Testimony. For items that parties are neutral in direct, parties may adopt, support, or oppose other parties' positions and develop a recommendation in later stages of this proceeding, including on brief. This issues list does not include positions that may be taken in rebuttal or cross-answering testimony.