



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • TTY (360) 586-8203

January 2, 2018

NOTICE OF BENCH REQUEST
(Due by Friday, January 12, 2018, at 3 p.m.)

and

NOTICE OF OPPORTUNITY TO RESPOND
(By Friday, January 26, 2018, at 3 p.m.)

RE: *Washington Utilities and Transportation Commission v. Avista Corporation*,
Dockets UE-170485 and UG-170486

TO ALL PARTIES:

On December 22, 2017, President Trump signed H.R.1 – An Act to provide for reconciliation pursuant to titles II and V of the concurrent resolution on the budget for fiscal year 2018 (The Tax Cuts and Jobs Act, or “TCJA”) into law. The TCJA amends the Internal Revenue Code to reduce tax rates and modify policies, credits, and deductions for individuals and businesses. The most notable impact for utilities regulated by the Commission is the reduction of the federal corporate tax rate from 35 percent to 21 percent.

The following bench request requires Avista Corporation (Avista or Company) to provide information related to the TCJA’s impacts on the Company’s revenue requirement and the Company’s proposed ratemaking treatment(s) for those impacts.

BENCH REQUEST NO. 1:

Please provide the following:

- A. Accumulated Deferred Federal Income Tax (ADFIT) balance as of December 31, 2017.
- B. The amount of excess deferred income tax reserve as described in IRC Sec 168(i)(9)(A)(ii) as of December 31, 2017, to comply with the TCJA.
- C. The amount of excess deferred income tax expense the Company is currently collecting as of January 1, 2018, until the anticipated effective date of this general rate case.

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- D. A proposed amortization schedule for parts B and C of this bench request along with a supporting rationale for each schedule. Please identify and describe the amortization assumption, e.g., composite, average rate, or other alternative method.
- E. For the current proceeding, provide an updated revenue requirement based on the Company's rebuttal position that accounts for the anticipated impacts of the TCJA.
- F. In the event that all impacts of the TCJA are not fully known to the Company by the due date set forth in this bench request, a projected date by which the Company intends to file an accounting petition to address the impacts.
- G. Supporting workpapers in electronic format with all formulas and links intact. See WAC 480-07-510(3)(e).

THE COMMISSION GIVES NOTICE That Avista Corporation must respond to this Bench Request no later than 3 p.m. on Friday, January 12, 2018, by electronic filing with the Commission's Records Center. Please provide courtesy copies by email to all parties of record and Administrative Law Judges Rayne Pearson, at rayne.pearson@utc.wa.gov, and Marguerite Friedlander, at marguerite.friedlander@utc.wa.gov.

THE COMMISSION GIVES FURTHER NOTICE That parties may file comments related to Avista's response to the Commission's Bench Request no later than 3 p.m. on Friday, January 26, 2018, by electronic filing with the Commission's Records Center. Please provide courtesy copies by email to all parties of record and Administrative Law Judges Rayne Pearson, at rayne.pearson@utc.wa.gov, and Marguerite Friedlander, at marguerite.friedlander@utc.wa.gov.

RAYNE PEARSON
Administrative Law Judge