

**AVISTA CORP.
 RESPONSE TO REQUEST FOR INFORMATION**

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|---------------|-----------------------|----------------|----------------------------|
| JURISDICTION: | WASHINGTON | DATE PREPARED: | 12/3/2019 |
| CASE NO.: | UE-150204 & UG-150205 | WITNESS: | Elizabeth Andrews |
| REQUESTER: | AWEC | RESPONDER: | Liz Andrews |
| TYPE: | Data Request | DEPT: | Regulatory Affairs |
| REQUEST NO.: | AWEC – 271-Revised | TELEPHONE: | (509) 495-8601 |
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REQUEST:

Refer to Exhibit EMA-24R: Please provide the ROE impact of the refund amounts for electric and natural gas calculated over the 2.3-year period, both with and without an earnings sharing offset. Please provide this information in a format similar to Table 22 in Exhibit EMA-20T.

RESPONSE:

The ROE impact of the refund amounts for electric and natural gas calculated over the 2.3-year period based on Staff Exhibits CRM-11 and CRM-12, updated to reflect 12.2015 EOP rate base, as shown in Exh. EMA-24R, both with and without an earnings sharing offset, is shown in the tables below. These tables are consistent with that shown in Tables 20 - 22 in Exhibit EMA-20T. Please see AWEC-DR-271 – Revised Attachment A for detail calculations.

REVISED 12/03/2019

ROE Impact of Electric

| <u>"End Result" of Refund Per Exh. EMA-24R - ROE Impact WA Electric</u> | | | |
|--------------------------------------------------------------------------------|--------------------|--------------------|---------------------------------|
| | <u>2016</u> | <u>2017</u> | <u>2018</u> ² |
| Actual Commission Basis ROE¹ | <u>9.40%</u> | <u>9.40%</u> | <u>9.21%</u> |
| <u>ROE After Application of Refund:</u> | | | |
| Exh EMA-24R - with Earnings Sharing | <u>8.90%</u> | <u>8.70%</u> | <u>8.90%</u> |
| Exh EMA-24R - without Earnings Sharing | <u>8.60%</u> | <u>8.50%</u> | <u>8.90%</u> |
| ¹ Includes impact of actual 50/50 Earnings Sharing | | | |
| ² 2018 new rates effective May 1, 2018. | | | |

ROE Impact of Natural Gas

| <u>"End Result" of Refund Per Exh. EMA-24R - ROE Impact WA Natural Gas</u> | | | |
|-----------------------------------------------------------------------------------|--------------------|--------------------|---------------------------------|
| | <u>2016</u> | <u>2017</u> | <u>2018</u> ² |
| Actual Commission Basis ROE¹ | <u>10.70%</u> | <u>10.40%</u> | <u>9.62%</u> |
| <u>ROE After Application of Refund:</u> | | | |
| Exh EMA-24R - with Earnings Sharing | <u>10.70%</u> | <u>10.40%</u> | <u>9.60%</u> |
| Exh EMA-24R - without Earnings Sharing | <u>10.50%</u> | <u>10.20%</u> | <u>9.60%</u> |
| ¹ Includes impact of actual 50/50 Earnings Sharing | | | |
| ² 2018 new rates effective May 1, 2018. | | | |

ROE Impact of Washington System (Electric & Natural Gas)

| <u>"End Result" of Refund Per Exh. EMA-24R - ROE Impact WA System</u> | | | |
|------------------------------------------------------------------------------|--------------------|--------------------|---------------------------------|
| | <u>2016</u> | <u>2017</u> | <u>2018</u> ² |
| Actual Commission Basis ROE¹ | <u>9.60%</u> | <u>9.60%</u> | <u>9.29%</u> |
| <u>ROE After Application of Refund:</u> | | | |
| Exh EMA-24R - with Earnings Sharing | <u>9.20%</u> | <u>9.00%</u> | <u>9.00%</u> |
| Exh EMA-24R - without Earnings Sharing | <u>8.90%</u> | <u>8.80%</u> | <u>9.00%</u> |
| ¹ Includes impact of actual 50/50 Earnings Sharing | | | |
| ² 2018 new rates effective May 1, 2018. | | | |