

**Exh. JH-9**  
**Dockets UE-200900, UG-200901,**  
**UE-200894**  
**Witness: Joanna Huang**

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**AVISTA CORPORATION, d/b/a  
AVISTA UTILITIES,**

**Respondent.**

**DOCKETS UE-200900, UG-200901,  
UE-200894 (*Consolidated*)**

**EXHIBIT TO  
TESTIMONY OF**

**Joanna Huang**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Pro Forma Property Tax, Adjustment 3.09*

**April 21, 2021**

AVISTA UTILITIES  
WASHINGTON ELECTRIC RESULTS  
TWELVE MONTHS ENDED DECEMBER 31, 2019  
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Avista	
		As-Filed	Staff
		Pro Forma Property Tax	Pro Forma Property Tax
	Adjustment Number	3.09	3.09
	Workpaper Reference	E-PPT	E-PPT
REVENUES			
1	Total General Business	\$0	\$0
2	Interdepartmental Sales	-	-
3	Sales for Resale	-	-
4	Total Sales of Electricity	-	-
5	Other Revenue	-	-
6	Total Electric Revenue	-	-
EXPENSES			
Production and Transmission			
7	Operating Expenses	-	-
8	Purchased Power	-	-
9	Depreciation/Amortization	-	-
10	Regulatory Amortization	-	-
11	Taxes	1,156	562
12	Total Production & Transmission	1,156	562
Distribution			
13	Operating Expenses	-	-
14	Depreciation/Amortization	-	-
	Regulatory Amortization	-	-
15	Taxes	552	433
16	Total Distribution	552	433
17	Customer Accounting	-	-
18	Customer Service & Information	-	-
19	Sales Expenses	-	-
Administrative & General			
20	Operating Expenses	-	-
21	Depreciation/Amortization	-	-
22	Regulatory Deferrals/Amortization	-	-
23	Taxes	-	-
24	Total Admin. & General	-	-
25	Total Electric Expenses	1,708	995
26	OPERATING INCOME BEFORE FIT	(1,708)	(995)
FEDERAL INCOME TAX			
27	Current Accrual	(359)	(209)
28	Debt Interest	-	-
29	Deferred Income Taxes	-	-
30	Amortized ITC - Noxon	-	-
31	NET OPERATING INCOME	(\$1,349)	(\$786)
RATE BASE			
PLANT IN SERVICE			
32	Intangible	\$0	\$0
33	Production	-	-
34	Transmission	-	-
35	Distribution	-	-
36	General	-	-
37	Total Plant in Service	-	-
ACCUMULATED DEPRECIATION/AMORT			
38	Intangible	-	-
39	Production	-	-
40	Transmission	-	-
41	Distribution	-	-
42	General	-	-
43	Total Accumulated Depreciation	-	-
44	NET PLANT	-	-
45	DEFERRED TAXES	-	-
46	Net Plant After DFIT	-	-
47	DEFERRED DEBITS AND CREDITS & OTHER	-	-
48	WORKING CAPITAL	-	-
49	TOTAL RATE BASE	\$0	\$0

AVISTA UTILITIES  
WASHINGTON NATURAL GAS  
TWELVE MONTHS ENDED DECEMBER 31, 2019  
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Avista As-Filed		Staff	
		Pro Forma Property Tax	Pro Forma Property Tax	Pro Forma Property Tax	Pro Forma Property Tax
	Adjustment Number	3.09		3.09	
	Workpaper Reference	G-PPT		G-PPT	
REVENUES					
1	Total General Business	\$ -	\$ -		
2	Total Transportation	-	-		
3	Other Revenues	-	-		
4	Total Gas Revenues	-	-		
EXPENSES					
Production Expenses					
5	City Gate Purchases	-	-		
6	Purchased Gas Expense	-	-		
7	Net Nat Gas Storage Trans	-	-		
8	Total Production	-	-		
Underground Storage					
9	Operating Expenses	-	-		
10	Depreciation/Amortization	-	-		
11	Taxes	35	20		
12	Total Underground Storage	35	20		
Distribution					
13	Operating Expenses	-	-		
14	Depreciation/Amortization	-	-		
15	Taxes	428	237		
16	Total Distribution	428	237		
17	Customer Accounting				
18	Customer Service & Information	-	-		
19	Sales Expenses	-	-		
Administrative & General					
20	Operating Expenses	-	-		
21	Depreciation/Amortization	-	-		
22	Regulatory Amortizations				
23	Taxes	-	-		
24	Total Admin. & General	-	-		
25	Total Gas Expense	463	257		
26	OPERATING INCOME BEFORE FIT	(463)	(257)		
FEDERAL INCOME TAX					
27	Current Accrual	(97)	(54)		
28	Debt Interest	-	-		
29	Deferred FIT	-	-		
30	Amort ITC	-	-		
31	NET OPERATING INCOME	\$ (366)	\$ (203)		
RATE BASE					
PLANT IN SERVICE					
32	Underground Storage	\$ -	\$ -		
33	Distribution Plant	-	-		
34	General Plant	-	-		
35	Total Plant in Service	-	-		
ACCUMULATED DEPRECIATION/AMORT					
36	Underground Storage	-	-		
37	Distribution Plant	-	-		
38	General Plant	-	-		
39	Total Accumulated Depreciation/Amortization	-	-		
40	NET PLANT	-	-		
41	DEFERRED TAXES	-	-		
42	Net Plant After DFIT	-	-		
43	GAS INVENTORY	-	-		
44	GAIN ON SALE OF BUILDING	-	-		
45	OTHER				
46	WORKING CAPITAL	-	-		
47	TOTAL RATE BASE	\$ -	\$ -		

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

JURISDICTION: WASHINGTON	DATE PREPARED: 01/08/2021
CASE NO.: UE-200900 & UG-20901	WITNESS: Liz Andrews
REQUESTER: UTC Staff - Huang	RESPONDER: Jeanne Pluth
TYPE: Data Request	DEPT: Regulatory Affairs
REQUEST NO.: Staff - 049	TELEPHONE: (509) 495-2204
	EMAIL: jeanne.pluth@avistacorp.com

**REQUEST:**

**Re: Property Tax**

Regarding Ms. Andrews’ property tax workpaper titled “2020.08.20 - Property Tax Forecast - updated WA”, in the Excel tab/worksheet labeled “Revision 08.20.2020 minus %”, please provide support, including documentation, for the estimated increased amounts in property tax (column Z) for 2021.

**RESPONSE:**

The Company received final property tax assessments in December 2020, after the general rate case was filed. Using the assessments, an updated forecast of property taxes for 2021 was prepared and has been provided in Staff-DR-049-Attachment B. Ms. Andrews’ Adjustment 3.09 was updated using the revised forecast, and has been provided in Staff-DR-049-Attachment A. A summary of the change to the adjustment from the filed case follows:

Electric ADJ 3.09			
	Original ADJ	Revised ADJ	Change to Filed ADJ
Production/Transmission	1,155,667	561,879	(593,788)
Distribution	552,452	433,334	(119,118)
<b>Total</b>	<b>1,708,119</b>	<b>995,213</b>	<b>(712,906)</b>
Natural Gas ADJ 3.09			
	Original ADJ	Revised ADJ	Change to Filed ADJ
Underground Storage	34,896	19,345	(15,551)
Distribution	428,128	237,344	(190,784)
<b>Total</b>	<b>463,024</b>	<b>256,689</b>	<b>(206,335)</b>

The increase in property taxes in 2021 over the 2020 actual expense level is due to property additions. These additions were provided in Staff-DR-041. The impact of updating electric Adjustment 3.09 decreases pro forma electric expense approximately \$713,000 and decreases the Company’s requested revenue requirement \$746,000. The impact of updating natural gas Adjustment 3.09 decreases pro forma natural gas expense approximately \$206,000 and decreases the Company’s requested revenue requirement \$215,000.

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	07/19/2019
CASE NO.:	UE-190334 & UG-190335	WITNESS:	Liz Andrews
REQUESTER:	UTC Staff-Steward	RESPONDER:	Jeanne Pluth/Megan Kennedy
TYPE:	Data Request	DEPT:	Regulatory Affairs/Tax
REQUEST NO.:	Staff - 088	TELEPHONE:	(509) 495-2204/8144
		EMAIL:	jeanne.pluth@avistacorp.com

**REQUEST:**

Regarding Ms. Andrews’ property tax workpaper titled 2019-01-10 - FINAL 2018-REVISED 2019 values-rollfrwr-2023frst, please provide support, including documentation, for the increased rates in property tax projected for forward looking years.

**RESPONSE:**

The values in columns Z, AA, and AB for 2021, 2022 and 2023 are from the Company’s five year forecast of property tax expense. The values in columns T, V, and X for 2018, 2019 and 2020 are from an adjusted version of the Company’s five year forecast of property tax expense where the tax rate for each state has been maintained at the 2018 estimated rate throughout the 2020 forecast period (no 2% escalation in the tax rates).

The Pro Forma property tax expense presented in Ms. Andrews’ studies include the estimates for 2020 only. For 2021 and beyond, which were escalated by 2% rate increase, the estimates were not included in this general rate case.

Since filing the case, the Company has finalized its 2018 Washington state property taxes. In addition, The Company has received its assessed values for 2019. The Company updated its property tax forecast, which is the same spreadsheet referred to in this data request, and has provided it as Staff-DR-088 Attachment B. The Company has removed the escalation of the tax rate. Using the data in this spreadsheet, the Company’s PF Adjustment 3.08 has been updated and has been provided as Staff-DR-088 Attachment A. Pro forma property taxes for 2020 has decreased from the amount originally filed, as follows:

	<b>WA Electric</b>	<b>WA Gas</b>
Adjustment, as filed	\$ 3,558,274	\$ 475,894
Adjustment, as updated	1,052,718	103,435
Reduction to Property Tax Expense in GRC	\$(2,505,556)	\$(372,459)