

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	06/14/2021
CASE NO:	200900-901-894	WITNESS:	Elizabeth Andrews
REQUESTER:	Bench	RESPONDER:	Liz Andrews
TYPE:	Bench Request	DEPT:	Regulatory Affairs
REQUEST NO.:	Bench Request No. 2	TELEPHONE:	(509) 495-8601
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**REQUEST:**

After providing updated Excel versions of Exh. EMA-8 and Exh. EMA-9 according to the requirements in Bench Request No. 1, please create and provide two new workbooks from the updated Exh. EMA-8 and Exh. EMA-9 that incorporate the terms of the proposed partial multiparty settlement. Shade cells or highlight all changes caused by the incorporation of the settlement's terms in green. Label each workbook as Exh. EMA-8S and Exh. EMA-9S, respectively ("S" will indicate that the workbook has been updated with the terms of the settlement).

**RESPONSE:**

See files "Bench Request 1 - Attachment A Exh. EMA-8 Rebuttal-Case 2019 WA Electric RR Model AMA 10.2021" and "Bench Request 1 - Attachment B Exh. EMA-9 Rebuttal-Case 2019 WA Natural Gas RR Model AMA 10.2021", provided in response to Bench Request No. 1.

There is no impact on Exh. EMA-8 or Exh. EMA-9, due to the impact of the Partial Multiparty Settlement Stipulation, as discussed below, requiring a separate model marked with an "S". For ease of reference, in Bench Request 1 - Attachment A (Exh. EMA-8) and Bench Request 1 - Attachment B (Exh. EMA-9) in tab "ADJ Detail-INPUT", the Company highlighted in green and noted as "Bench Request 2 Agreed to per Settlement", are referenced adjustments agreed to as noted below. The adjustments as noted below are referenced in the revenue requirement models, however, there is no difference between the adjustments as filed on rebuttal by Avista from that agreed to by the Parties per the Partial Multiparty Settlement Stipulation, so there would be no difference at this point in time between rebuttal and that agreed to by the Parties.

The Partial Multiparty Settlement Stipulation filed on May 27, 2021, if approved by the Commission would approve the following:

- Power Supply – The Settling Parties agree that Avista will provide an update to its filed Power Supply pro forma adjustment 60 days prior to the rate effective date (October 1, 2021) and the effects of such update will be incorporated into the electric revenue requirement approved by the Commission. The update will include refreshing natural gas and electricity market prices, updating non-natural gas fuel prices where such prices are the result of a contract changes, adding all incremental contracts with terms of less than one year affecting the pro forma period for natural gas and electricity, and updating rate changes to any power and transmission service contracts included in the filing.

**[Agreement and approval has no effect on the adjustments filed on rebuttal until the 60-Day Update is filed on or before August 1, 2021, at which time Pro Forma Power**

**Supply (PF 3.00P) and Pro Forma Transmission (PF 3.00T) Adjustment would be provided, along with a revised Exh. EMA-8 Electric Revenue Requirement model, including the updated net power supply and transmission per the 60-Day Update. A new Energy Recovery Mechanism (ERM) baseline would also be provided.]**

- Energy Imbalance Market (EIM) – The Settling Parties agree to include EIM capital and expenses in base rates as proposed by Avista. Avista will include a \$5.8 million annualized system EIM benefit (for the 7 months Avista will participate in the EIM during the rate effective period, this benefit is \$3.4 million (system)). Avista agrees to participate in a collaborative, or Staff investigation, concerning the modeling of EIM benefits. If a collaborative or investigation does not conclude before Avista’s next General Rate Case (“GRC”), Avista agrees to examine the accuracy of the benefit estimate in its next GRC .

**[As discussed in Andrews Exh. EMA-6T page 34, on rebuttal, Pro Forma Power Supply 3.00P Adjustment was revised to include EIM Benefits of \$3.4 million system, \$2.323 million WA. This reflects \$5.8 million system in effect for seven months from "Go-Live" date March 1, 2022 through effective period September 30, 2022. (\$5.8M/12\*7\*.6564 WA share). The inclusion of these EIM benefits (revenues) was agreed to as part of the Settlement.**

**Also included on rebuttal, is Pro Forma EIM adjustment 3.18 in Exh. EMA-8 reflecting actual EIM capital and expenses as updated in Staff 107, to be included in base rates as agreed to per the Settlement. These impacts are already reflected in Avista’s rebuttal case in Exh. EMA-8, therefore there is no change necessary to Exh. EMA-8.]**

- IEP Special Contract – The Settling Parties support the entry into a special contract between Avista and IEP, with full resolution in the case, on the terms provided in the confidential attached special contract term sheet (Attachment A) to the Partial Multiparty Settlement Stipulation.

**[See Partial Multiparty Settlement Stipulation. No impact to revenue requirement.]**

- AFUDC Deferral – Avista will return to customers the deferred balances related to electric and gas AFUDC equity portion through Schedules 76/176 over a one-year period beginning on the rate-effective date. These balances total \$1.8 million electric and \$0.5 million gas. The refund will be spread to each class based on allocated rate base, unless the Commission selects a different rate spread method for the return of the AFUDC deferral.

**[Return to customers of the deferred balances related to electric and gas AFUDC equity portion through Schedules 76/176 over a one-year period has no impact on revenue requirement models Exh. EMA-8 or Exh. EMA-9.]**

- Pricing Pilots – Time-of-Use (TOU) rates for electric residential and general service schedules.

**[See Partial Multiparty Settlement Stipulation. No impact to revenue requirement.]**

- Low-Income – The Settling Parties agreed to low-income items. See Partial Multiparty Settlement Stipulation.

**[See Partial Multiparty Settlement Stipulation. No impact to revenue requirement.]**

- Fee Free and Line Extension Allowance Program (LEAP) Deferrals – Amortizations of Commission-approved deferrals are as filed in the Company's case.

**[Parties agreed to the electric and natural gas Fee Free amortization, as well the natural gas LEAP amortization as proposed by Avista. These balances are already reflected in Exh. EMA-8 and Exh. EMA-9 (rebuttal revenue requirement models), therefore there is no change necessary to Exh. EMA-8 or Exh. EMA-9 due to the Partial Multiparty Settlement Stipulation.]**