

**Exh. JH-11**  
**Dockets UE-190334, UG-190335,**  
**and UE-190222**  
**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-190334, UG-190335,  
and UE-190222 (*Consolidated*)**

**EXHIBIT TO  
TESTIMONY OF**

**Joanna Huang**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Pro Forma Colstrip Amortization, Adjustment 3.13*

**October 3, 2019**

AVISTA UTILITIES  
WASHINGTON ELECTRIC RESULTS  
TWELVE MONTHS ENDED DECEMBER 31, 2018  
(000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma Colstrip Amortization
	Adjustment Number	3.13
	Workpaper Reference	E-PCOL
REVENUES		
1	Total General Business	\$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	(149)
10	Regulatory Amortization	1,713
11	Taxes	-
12	Total Production & Transmission	1,564
Distribution		
13	Operating Expenses	-
14	Depreciation/Amortization	-
15	Taxes	-
16	Total Distribution	-
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	1,564
26	OPERATING INCOME BEFORE FIT	(1,564)
FEDERAL INCOME TAX		
27	Current Accrual	(328)
28	Debt Interest	79
29	Deferred Income Taxes	-
30	Amortized ITC - Noxon	-
31	NET OPERATING INCOME	(1,315)
RATE BASE		
PLANT IN SERVICE		
32	Intangible	\$0
33	Production	(14,194)
34	Transmission	-
35	Distribution	-
36	General	-
37	Total Plant in Service	(14,194)
ACCUMULATED DEPRECIATION/AMORT		
38	Intangible	-
39	Production	-
40	Transmission	-
41	Distribution	-
42	General	-
43	Total Accumulated Depreciation	-
44	NET PLANT	(14,194)
45	DEFERRED TAXES	-
46	Net Plant After DFIT	(14,194)
47	DEFERRED DEBITS AND CREDITS & OTHER	-
48	WORKING CAPITAL	-
49	TOTAL RATE BASE	(\$14,194)
50		
51		

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	07/16/2019
CASE NO.:	UE-190334 & UG-190335	WITNESS:	Liz Andrews
REQUESTER:	UTC Staff-Huang	RESPONDER:	Jeanne Pluth
TYPE:	Data Request	DEPT:	Regulatory Affairs
REQUEST NO.:	Staff - 075	TELEPHONE:	(509) 495-2204
		EMAIL:	jeanne.pluth@avistacorp.com

**REQUEST:**

**Re: Pro Forma Colstrip Amortization Adjustment**

- a. Please treat this as an ongoing data request. Please provide in an Excel workbook all actual transfers to plant (TTP) by monthly expenditure requests for the period January 1, 2019, through December 31, 2019. Where actual monthly data is not yet available, please provide the rationale used to determine the projected amounts of transfers to plant. Please update your response to this data request as actual monthly totals become available. Provide separate workbooks for electric and gas plant transfers.
- b. Please treat this as an ongoing data request. For the actual amounts of each of the transfers to plant shown above, for the period January 1, 2019, through December 31, 2019, please provide all accounting entries to demonstrate that these plant transfers are actual expenses and properly recorded in the general ledger.

**RESPONSE:**

a.-b.

See Avista's response to Staff-DR-023 for actual transfers to plant for all plant, including Colstrip. The ER's that are for Colstrip additions are ER Nos. 2214 and 4116.

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

JURISDICTION:	WASHINGTON	DATE PREPARED:	08/26/2019
CASE NO.:	UE-190334 & UG-190335	WITNESS:	Liz Andrews
REQUESTER:	UTC Staff-Huang	RESPONDER:	Jeanne Pluth
TYPE:	Data Request	DEPT:	Regulatory Affairs
REQUEST NO.:	Staff – 075 Supplemental 1	TELEPHONE:	(509) 495-2204
		EMAIL:	jeanne.pluth@avistacorp.com

**REQUEST:**

**Re: Pro Forma Colstrip Amortization Adjustment**

- a. Please treat this as an ongoing data request. Please provide in an Excel workbook all actual transfers to plant (TTP) by monthly expenditure requests for the period January 1, 2019, through December 31, 2019. Where actual monthly data is not yet available, please provide the rationale used to determine the projected amounts of transfers to plant. Please update your response to this data request as actual monthly totals become available. Provide separate workbooks for electric and gas plant transfers.
- b. Please treat this as an ongoing data request. For the actual amounts of each of the transfers to plant shown above, for the period January 1, 2019, through December 31, 2019, please provide all accounting entries to demonstrate that these plant transfers are actual expenses and properly recorded in the general ledger.

**RESPONSE:**

a.-b.

See Avista's response to Staff-DR-023 for actual transfers to plant for all plant, including Colstrip. The ER's that are for Colstrip additions are ER Nos. 2214 and 4116.

**Supplemental 1 (08/20/2019)**

Please see Staff-DR-075-Attachment A for an updated Colstrip Regulatory Amortization Adjustment with updated 2019 transfers to plant. As described on Attachment A, the Company also updated the adjustment to reflect the impact of 2019 depreciation expense on the Colstrip rate base.

**Adjustment 3.13 Regulatory Amortization for Colstrip**  
(\$000s)

	<b>Change to Filed</b>		
	<b>Filed Adjustment</b>	<b>Adjustment</b>	<b>Revised Adjustment</b>
Depreciation Expense	\$ (149)	\$ -	\$ (149)
Regulatory Amortization	1,723	(10)	1,713
<b>Total Expenses</b>	<b>\$ 1,574</b>	<b>\$ (10)</b>	<b>\$ 1,564</b>
Rate Base			
Production Plant	\$ (9,088)	\$ (5,106)	\$ (14,194)

The revision to Adjustment 3.13 is due to two updates/corrections:

- 1) The Company revised the amount of capital that will transfer to plant in 2019 for Colstrip. The Company used actual TTP for January 1, 2019 - May 31, 2019 and updated forecasted TTP for remainder of 2019. The updated TTP were provided in Staff\_DR\_023 SUPPLEMENT 1 Attachment B.
- 2) The original filed adjustment inadvertently did not factor in the 2019 depreciation expense and its impact to A/D.



12/31/2018 12/31/2018

Asset Category	Old Deprec	New Deprec	Cost	A/D	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	Rate	Rate												
ED.C3.310200			-											
ED.C3.311000	1.56%	1.99%	461,216	4,462	4,462	8,688	9,185	9,185	9,185	9,185	9,185	9,185	9,185	9,185
ED.C3.312000	1.93%	2.67%	461,216	5,522	5,522	11,469	12,322	12,322	12,322	12,322	12,322	12,322	12,322	12,322
ED.C3.313000	2.92%	9.22%	-	-	-	-	-	-	-	-	-	-	-	-
ED.C3.314000	2.79%	8.34%	461,216	7,964	7,964	32,052	38,453	38,453	38,453	38,453	38,453	38,453	38,453	38,453
ED.C3.315000	1.73%	2.97%	461,216	4,939	4,939	12,267	13,700	13,700	13,700	13,700	13,700	13,700	13,700	13,700
ED.C3.316000	1.46%	4.21%	461,216	4,169	4,169	16,257	19,434	19,434	19,434	19,434	19,434	19,434	19,434	19,434
ED.C4.310200			-	-	-	-	-	-	-	-	-	-	-	-
ED.C4.311000	1.68%	2.95%	555,552	5,552	5,552	14,602	16,367	16,367	16,367	16,367	16,367	16,367	16,367	16,367
ED.C4.312000	2.20%	4.79%	555,552	7,280	7,280	23,004	26,604	26,604	26,604	26,604	26,604	26,604	26,604	26,604
ED.C4.313000	2.92%	9.34%	-	-	-	-	-	-	-	-	-	-	-	-
ED.C4.314000	2.88%	7.59%	555,552	9,530	9,530	35,614	42,161	42,161	42,161	42,161	42,161	42,161	42,161	42,161
ED.C4.315000	1.88%	3.72%	-	-	-	-	-	-	-	-	-	-	-	-
ED.C4.316000	1.62%	4.74%	555,552	5,368	5,368	22,010	26,348	26,348	26,348	26,348	26,348	26,348	26,348	26,348
			4,528,290	54,786	54,786	175,964	204,574	204,574	204,574	204,574	204,574	204,574	204,574	204,574

12/31/2018 12/31/2018

Asset Key	Asset Category	Old Deprec	New Deprec	Cost	A/D	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
		Rate	Rate												
COL3	ED.AN.353000	2.330%		-	-										
COL3	ED.AN.354000	1.800%		-	-										
COL3	ED.AN.355000	1.380%		-	-										
COL3	ED.AN.356000	1.590%		-	-										
COL4	ED.AN.353000	2.330%		-	-										
COL4	ED.AN.356000	1.590%		-	-										
BVW	ED.AN.353000	2.097%		-	-										
GARLN	ED.AN.353000	2.097%		-	-										
SYB	ED.AN.353000	2.097%		-	-										
424T	ED.AN.350400	1.300%		-	-										
424T	ED.AN.352000	1.650%	11.190%	56	1	1	5	6	6	6	6	6	6	6	6
424T	ED.AN.353000	2.330%	5.690%	99,938	1,291	1,291	4,847	5,686	5,686	5,686	5,686	5,686	5,686	5,686	5,686
424T	ED.AN.354000	1.800%	6.750%	470	5	5	26	32	32	32	32	32	32	32	32
424T	ED.AN.356000	1.590%		-	-										
424T	ED.AN.359000	1.660%		-	-										
429T	ED.AN.350400	1.300%		-	-										
429T	ED.AN.354000	1.800%		-	-										
429T	ED.AN.356000	1.590%		-	-										
429T	ED.AN.359000	1.660%		-	-										
				100,464	1,296	1,296	4,878	5,724	5,724	5,724	5,724	5,724	5,724	5,724	5,724

Depreciate with Stated Deprec Rates 4,628,754 56,082 56,082 180,842 210,299 210,299 210,299 210,299 210,299 210,299 210,299 210,299 210,299 210,299

Depreciate through 2027 56,082 56,082 564,574 564,574 564,574 564,574 564,574 564,574 564,574 564,574 564,574 564,574 564,574

383,732 354,275 354,275 354,275 354,275 354,275 354,275 354,275

Defer and Amortize 133,409  
65.39%  
87,236 A

		Generation					Transmission			
	TTP	EOP Balance	AMA 2019	2019 Deprec Exp Estimate		TTP	EOP Balance	AMA 2019	2019 Deprec Exp Estimate	
Jan-19	537,623	537,623			Jan-19	36,586	36,586			
Feb-19	519,043	1,056,666			Feb-19	5,860	42,446			
Mar-19	162,008	1,218,674			Mar-19	2,207	44,653			
Apr-19	145,508	1,364,183			Apr-19	2,639	47,292			
May-19	297,104	1,661,287			May-19	3,986	51,278			
Jun-19	416,370	2,077,657			Jun-19	44,625	95,903			
Jul-19	387,535	2,465,192			Jul-19	35,497	131,400			
Aug-19	240,263	2,705,455			Aug-19	34,887	166,287			
Sep-19	145,479	2,850,934			Sep-19	11,057	177,344			
Oct-19	187,659	3,038,593			Oct-19	11,941	189,286			
Nov-19	98,290	3,136,883			Nov-19	91,372	280,658			
Dec-19	29,896	3,166,779	1,974,711	76,735	Dec-19	21,886	302,544	117,867	5,723	
	3,166,779					302,544				
Annual Amortization (33.75 years)				90,988	Annual Amortization (33.75 years)				8,752	
WA Share				65.39%	WA Share				65.39%	
				59,497					5,723	
WA Share Amortization for 34 Years										
	Generation			59,497						
	Transmission			5,723						
				65,220						
Note: 2019 Depreciation was estimated using the effective depreciation rate for 2018 Colstrip additions.										



	<b>Generation</b>	<b>Transmission</b>	<b>Total</b>
Plant	3,166,779	302,544	3,469,322
A/D	(95,919)	(7,154)	(103,072)
ADFIT	(4,795)	(880)	(5,676)
Rate Base	<u>3,066,064</u>	<u>294,510</u>	<u>3,360,574</u>

WA Allocation Factor	<u>65.39%</u>
WA Share	<u>2,197,480</u>

Pro Forma adjustment adds WA share of 2019 Colstrip additions on EOP basis.

**Total Rate Base Adjustment**

2019 Additions	2,197,480
2019 Depreciation Expense (Increases A/D)	(4,682,397)
Record Use of Tax Reform Credit	(11,709,014) <b>D</b>
Net Rate Base Adjustment	<b>(14,193,931)</b>



	<b>12/31/2017</b>	<b>2018 Additions</b>	<b>2018 Retirements</b>	<b>12/31/2018</b>
Colstrip Generation	320,963,896	4,528,292	(1,254,314)	324,237,874
Colstrip Transmission	41,030,662	100,464	(28,775)	41,102,351
Cost	<u>361,994,558</u>	<u>4,628,756</u>	<u>(1,283,089)</u>	<u>365,340,225</u>

Colstrip Generation	(230,433,476)	(6,348,130)	1,254,314	(235,527,292)
Colstrip Transmission	(22,139,608)	(760,643)	28,775	(22,871,476)
A/D	<u>(252,573,084)</u>	<u>(7,108,773)</u>	<u>1,283,089</u>	<u>(258,398,768)</u>

NBV	109,421,474			106,941,457
-----	-------------	--	--	-------------

Colstrip Generation -12/31/2017		6,293,344	
Colstrip Generation -2018 Adds		54,786	
Colstrip Transmission -12/31/2017		759,347	
Colstrip Transmission -2018 Adds		1,296	
Depreciation in 2018		<u>7,108,773</u>	

	<b>12/31/2018 NBV</b>	<b>Q1 Deprec</b>	<b>3/31/2019 NBV</b>
Colstrip Generation	84,194,602	(1,583,955)	82,610,648
Colstrip Transmission	18,131,681	(189,843)	17,941,838
	<u>102,326,283</u>	<u>(1,773,798)</u>	<u>100,552,485</u>
	65.35%	65.35%	65.35%
	66,870,226	(1,159,177)	65,711,049