WUTC DOCKET: 190334
EXHIBIT: JT-2
ADMIT ☑ W/D ☐ REJECT ☐

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant,	)	DOCKETS UE-190334, UG-190335 and UE-190222 (*Consolidated*)
v.	)	
AVISTA CORPORATION d/b/a AVISTA UTILITIES Respondent.	)	PARTIAL MULTIPARTY SETTLEMENT STIPULATION

I. PARTIES

1. This Partial Multiparty Settlement Stipulation is entered into by Avista Corporation ("Avista" or the "Company"), the Staff of the Washington Utilities and Transportation Commission ("Staff"), the Public Counsel Unit of the Washington Office of Attorney General ("Public Counsel"), the Alliance of Western Energy Consumers ("AWEC"), the NW Energy Coalition ("NWEC"), The Energy Project, and the Sierra Club, jointly referred to herein as the "Parties". The Parties agree that this Partial Multiparty Settlement Stipulation is in the public interest and should be accepted by the Commission as a resolution of certain issues in these dockets. As among the Parties, this Partial Multiparty Settlement Stipulation resolves all issues in this proceeding, with the exception of (1) the Company's decoupling proposal, which is not subject to any agreement among any of the parties; (2) the natural gas revenue requirement of $8.0 million, which Public Counsel does not agree to or support; and (3) the remaining Energy Recovery Mechanism ("ERM") issues in UE-190222 (that are not otherwise addressed in the

investigation being conducted in UE-190882). The Parties understand this Partial Multiparty Settlement Stipulation is subject to approval of the Washington Utilities and Transportation Commission (the "Commission").

II. INTRODUCTION

2. On April 30, 2019, Avista filed with the Commission certain tariff revisions designed to increase general rates for electric service (Docket UE-190334) and natural gas service (Docket UG-190335) in the state of Washington. Avista requested a two-year rate plan, which would begin with new rates effective April 1, 2020, and run through March 31, 2022. Effective April 1, 2020, Avista requested an increase in electric base rates of $45.8 million, or 9.1 percent (8.8% on a billed basis), and an increase in natural gas base rates of $12.9 million, or 13.8 percent (10.1% on a billed basis). For the second year of the rate plan, Avista proposed an increase in electric base revenues of $18.9 million, or 3.3%, and an increase in natural gas base rates of $6.5 million, or 4.6%, effective April 1, 2021.[1]

3. Prior to filing the general rate case, Avista filed its annual ERM true-up on March 29, 2019, which included tariff revisions designed to rebate to customers approximately $34.4 million in Docket UE-190222. This filing was made pursuant to the Multiparty Settlement Stipulation in Docket UE-120436, subsection 10, related to the ERM rate adjustment trigger, and in accordance

[1] Avista proposed that the revenue increases for year 2 of the rate plan would be implemented through Schedules 96 and 196 and not through a change to base tariffs.

with Docket UE-011595, which requires Avista to file annual testimony and supporting workpapers on or before April 1 of each year.

4. On May 2, 2019, the Company filed a Motion for Consolidation of Proceedings Pursuant to WAC 480-07-320 (Motion) for purposes of consolidating Docket UE-190222 with Dockets UE-190334 & UG-190335.

5. On May 8, 2019, the Commission entered Order 01 suspending the tariff revisions and setting Dockets UE-190334 and UG-190335 for hearing and determination.

6. On May 30, 2019, the Commission entered Order 03 granting Avista's Motion to consolidate Docket UE-190222 with Dockets UE-190334 and UG-190335.

7. Representatives of all parties appeared telephonically, and in person, at an initial settlement conference held on September 19, 2019. A second settlement conference was held on October 29, 2019, with additional telephonic and email discussions through November 6, 2019, which led to this Partial Multiparty Settlement Stipulation.

8. The Parties have reached a Partial Multiparty Settlement in this proceeding. If approved, this Partial Multiparty Settlement would resolve all issues in this proceeding, with the exception of (1) the Company's decoupling proposal, which is not subject to any agreement among any of the parties; (2) the natural gas revenue requirement of $8.0 million, which Public Counsel does not agree to or support; and (3) the remaining ERM issues in Docket UE-190222 (that are not otherwise addressed in the investigation being conducted in Docket UE-190882). The Parties, therefore, adopt the following Partial Multiparty Settlement Stipulation in the interest of reaching a fair disposition of the agreed-upon issues in this proceeding and wish to present their agreement

for the Commission's consideration and approval.[2]

III. AGREEMENT

9. Revenue Requirement – The Parties agree to the following revenue changes effective April 1, 2020:

a) $28.5 million electric, or a percentage increase of 5.7% base (5.4% billed), prior to ERM refund described below.

b) $8.0 million natural gas, or a percentage increase of 8.5% base (5.2% billed); Public Counsel, however, does not support this overall change in natural gas revenue requirement.

With the exception of certain items specifically called out below (e.g., cost of capital), the overall electric and natural gas revenue requirements are part of a "black box" settlement, reflecting give-and-take on multiple issues. This process will be described in the accompanying testimony in support of the Partial Multiparty Settlement Stipulation.

10. Cost of Capital – The Parties agree to a weighted cost of capital as follows:

Component	Capital Structure	Cost	Weighted Cost
Total Debt	51.5%	5.15%	2.65%
Common Equity	48.5%	9.40%	4.56%
Total	100.00%		7.21%

11. Electric and Natural Gas Rate Spread and Rate Design

a) Rate Spread – The Parties agree to the following electric and natural gas rate spread:[3]

[2] As noted in the accompanying Motion, the Parties will provide testimony in support of this Stipulation, doing so on or before November 26, 2019, with a further modification of the remaining schedule requested by Motion, to address the remaining contested issues: (1) Overall Natural Gas Revenue Requirement (Public Counsel); (2) Decoupling; and (3) ERM-related issues in Docket UE-190222.
[3] The increases are expressed below in thousands of dollars.

Electric Rate Spread

Rate Schedule	**Increase in Base Rates**		**Increase in Base Rates**	**Increase in Billing Rates**
Residential Schedules 1/2	$	14,579	6.7%	6.5%
General Service Schedules 11/12	$	2,131	2.8%	2.6%
Large General Service Schedules 21/22	$	7,135	5.7%	5.2%
Extra Large General Service Schedule 25	$	3,789	5.7%	5.5%
Pumping Service Schedules 31/32	$	684	5.7%	5.2%
Street & Area Lights Schedules 41-48	$	182	2.8%	2.7%
Overall	**$**	**28,500**	**5.7%**	**5.4%**

Natural Gas Rate Spread[4]

Rate Schedule	**Increase in Base Rates**		**Increase in Margin Rates**	**Increase in Billing Rates**
General Service Schedules 101/102	$	6,187	8.7%	5.5%
Large General Service Schedules 111/112/116	$	1,515	8.7%	4.3%
Interrupt. Sales Service Schedules 131/132	$	17	8.7%	3.9%
Transportation Service Schedule 146	$	281	8.7%	8.6%
Special Contracts Schedule 148	$	-	0.0%	0.0%
Overall	**$**	**8,000**	**8.5%**	**5.2%**

b) Rate Design – The Parties agree to the rate design as proposed by Avista in its direct case, with the exception of Schedule 25, which will reflect AWEC's proposal as described within their testimony, Exh. LDK-1T at 30:14-33:2, which calls for the revenue increase for Schedule 25 to be applied to fixed and variable demand charges, as well as an increase in the 60 kV – 115 kV and the 115 kV or higher primary voltage discounts ("transmission credit"). Attachment A provides a summary of the current and revised rates and charges for electric and natural gas services.[5]

12. Energy Recovery Mechanism (ERM) Refund – The Parties agree that the final ERM customer deferred balance approved by the Commission in Docket UE-190222[6] will be returned to customers over a two-year period beginning April 1, 2020 through March 31, 2022, through

[4] Reflects elimination of Schedules 121/122/126 as discussed by Mr. Miller in Exh. JDM-1T.

[5] Included with the Company's compliance filing in this proceeding, the Company will file a new level of baseline values for the electric and natural gas decoupling adjustment mechanism, reflecting this Partial Multiparty Settlement Stipulation and the Commission's resolution of outstanding decoupling issues.

[6] The final balance approved by the Commission will incorporate the determinations made in Docket UE-190882.

Tariff Schedule 93, except for $0.5 million, which will be applied to the accelerated Colstrip production plant depreciation expense of $2.6 million for the rate year beginning April 1, 2020. The allocation of the refund amounts across rate schedules will be consistent with the Company's proposal contained in Exh. PDE-1T at 6:6-9 in Docket UE-190222.[7]

13. Colstrip Depreciation and Regulatory Asset – The Parties agree to the terms set forth below:

a) Accelerate Depreciation of Production Plant to 2025 – Accelerate the depreciation schedule for Colstrip Units 3 and 4 production plant from 2034 and 2036 respectively to 2025. The depreciation schedules for transmission assets and production plant decommissioning and remediation (D&R) costs[8] are not accelerated to 2025 at this time, consistent with RCW 19.405.030(1)–(2). The balance of undepreciated production plant as of March 31, 2020, is approximately $50.0 million (Attachment B, column (A), line 1). This balance does not include amounts for any Colstrip plant additions after December 31, 2017, including SmartBurn.[9] The costs associated with the installation of SmartBurn for Colstrip Units 3 and 4 are not included in rate base at this time.

b) Depreciation of Transmission Assets – Colstrip transmission assets, including transmission D&R, will be depreciated consistent with the depreciation rates for non-Colstrip transmission assets approved in Docket UE-180167 (see Attachment B, page

[7] Currently, the ERM refund balance stands at $24.7 million, based on previously reviewed ERM entries through 2017. Additional ERM entries for 2018 are currently under review in Docket UE-190222 and UE-190882, but if approved, would increase the total deferral balance to $34.4 million.

[8] For this settlement, "decommissioning and remediation" ("D&R") costs include cost of removal (COR) and asset retirement obligations (AROs).

[9] SmartBurn is a technology that focuses on the reduction of nitrogen oxides ("NOx") by optimizing the combustion process in coal-fired generation plants (see http://www.smartburn.com/background.php). NOx is a haze-inducing pollutant produced during the combustion of coal that is regulated under the Regional Haze Rule. SmartBurn is designed to use air staging technology to reduce the amount of NOx that is formed by reducing flame temperatures and improving the efficiency of the combustion of coal.

2). The balance of undepreciated transmission plant as of March 31, 2020, is approximately $11.5 million (Attachment B, column (A), line 5). Projected transmission D&R costs as of March 31, 2020, are approximately $4.8 million (Attachment B, column (A), line 6).

c) <u>D&R Costs for Colstrip Units 3 and 4</u> –

1) D&R costs for Colstrip Units 3 and 4 production plant will be placed into a regulatory asset ("Colstrip D&R Regulatory Asset") upon Commission approval of this settlement. As of March 31, 2020, projected production plant D&R costs are approximately $33.0 million (Attachment B, column (A), line 9).

2) Incurred D&R expenditures will be tracked.

3) D&R cost projections will be updated and trued up to actual expenditures net of any insurance proceeds so that the Company will recover only the actual, prudently incurred D&R costs.

4) Until the end of the remediation process, the Company will file updated D&R cost projections in every general rate case ("GRC") and will include proposed revisions to the amortization expense, consistent with the updated cost projections. The GRC filings will include evidence supporting the projections and true-ups, and will include a report of actual incurred costs. Parties to the GRC may challenge the Company's proposals, including proposals to recover actual incurred D&R costs.

5) If there are any costs or credits in the Colstrip D&R Regulatory Asset after all costs have been incurred, the Company will come before the Commission and

propose to either collect or return the asset/liability. Customers will pay no more or no less than the actual prudently incurred D&R costs incurred over time.

d) Recovery – Depreciation expense, including amounts for production plant, transmission, and D&R, is currently being recovered in rates at the rate of approximately $4.5 million annually (Attachment B, column (D), lines 3 and 7). Recovery going forward will be as follows:

1) Recovery of Colstrip production plant depreciation expense –

a. The balance of "unprotected" EDIT (also known as the deferred TCJA benefit) will be applied against the balance of net production plant in service. The balance of "unprotected" EDIT is approximately $11.7 million (Attachment B, column (A), line 2).

b. The resulting depreciable balance of net production plant in service is $38.2 million.[10] Annual depreciation expense will increase to approximately $6.7 million. The net increase to depreciation expense is approximately $2.6 million. (See Attachment B, line 3, columns (A), (C) and (E), respectively.)

c. For the rate year, Avista's net depreciation expense ($2.6 million in b. above), less net amortization of protected EDIT ($0.6 million in d. below), of approximately $2.0 million for Colstrip production plant depreciation/amortization will be offset by: [11]

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[10] The depreciable balance of net production plant of $38.2 million represents the $50.0 million of undepreciated balance at March 31, 2020 of plant-in-service at December 31, 2017, less the $11.7 million TCJA tax credit.

[11] Of the $2.0 million net expense increase, $1.4 million is offset as described in (i)–(ii), below. The remaining $0.6 million is assumed to be included in the $28.5 million revenue requirement.

i. The $0.9 million residual balance remaining related to the amortization of 2018 temporary tax credits; and

ii. An amount of $0.5 million from the ERM deferral credit balance.

d. Per IRS rules the amortization schedule of protected EDIT (ARAM) associated with Colstrip Units 3 and 4 production plant will be consistent with the depreciation schedule for the underlying Colstrip Units 3 and 4 production plant assets (5.75 years, through December 31, 2025). The impact of this shortened amortization period will credit pre-tax expense of approximately $0.6 million (Attachment B, column (E), line 11).

2) <u>Recovery of Colstrip transmission depreciation expense</u> – Transmission depreciation expense and transmission D&R are currently being recovered in rates at approximately $0.5 million per year (Attachment B, column (D), line 7). These transmission depreciation expenses will continue to be recovered in rates, in this manner, so long as the Colstrip transmission assets are used and useful consistent with RCW 19.405.030(2).

3) <u>Recovery of Colstrip D&R expense</u> – The Colstrip D&R Regulatory Asset will be amortized over 33.75 years consistent with the amortization schedule of protected EDIT. The annual amortization expense for the first year for this regulatory asset is approximately $1.0 million (Attachment B, column (E), line 9).

e) Account Balances and Depreciation/Amortization Expense – Attachment B sets forth the annual amounts reflecting this agreement, for Colstrip depreciation, amortization of the regulatory asset, and the amortization of Colstrip protected EDIT. The Company will update these annual rates and amounts, as necessary, in each GRC filing.

14. Miscellaneous –The Parties agree to the following miscellaneous items:

a) Low-Income Weatherization Funding – The Parties agree to increase low-income weatherization funding by $650,000, from $2.35 million to $3.0 million, effective August 1, 2020. The Parties also agree that, as a part of its Low Income Weatherization Program, the direct agency project coordination rate would increase to 20% and the agency indirect rate would increase to 10%, for a combined total 30% agency rate. There will be periodic review of these percentages by the Energy Efficiency Advisory Group.[12] In addition, repair-related expenses will be an allowable use of low-income weatherization funds. The total allowance for Health, Safety & Repair will increase from 15% to 30% of a project's total expense.

b) LIRAP Funding – LIRAP funding will increase by the formula used in the current LIRAP five year plan - i.e., 7% or 2-times the residential base rate increase whichever is greater, through Avista's next GRC. (See Attachment A, pages 3 and 6.)[13]

c) Disconnection Reduction Plan – Avista agrees to gather disconnection data as listed in The Energy Project's prefiled response testimony, to report the data annually to the Commission and Public Counsel, and to develop a Disconnection Reduction Plan that will limit disconnections prospectively. This plan will be developed through the

[12] Current members of this group include, but are not limited to, the staff of the Commission, Public Counsel, NWEC and The Energy Project.
[13] Natural gas base rates, for purposes of LIRAP funding, include the final approved base tariff rates as well as the then-current Schedule 150 (Purchase Gas Adjustment) rates.

Energy Assistance Advisory Group with a recommendation to the Commission no later than one year after the date of the Commission order addressing the Stipulation.

d) On-Bill Repayment/Financing Program – Avista will provide a proposal for the Energy Efficiency Advisory Group (EEAG) for on-bill repayment/financing programs for residential and small business customers (Schedules 1, 11, and 101). Avista will incorporate feedback from the EEAG in the final program designs by January 2, 2021. If Avista and the EEAG reach agreement on program terms and design, the Company will file the programs with the Commission such that the programs are implemented by September 30, 2021. Based on the outcome of discussions with the EEAG, the Company may file small business and residential programs together or individually with the Commission. The Company will file a status report with the Commission if agreement is not reached with the EEAG for programs offered to the enumerated customer classes by September 30, 2021. Development costs associated with this program will be recoverable from customers and means of recovery will be addressed in a future GRC.

e) Deferral Amortizations – The Parties agree to the electric and natural gas Fee Free deferral amortization as filed by the Company (Exh. EMA-1T at 58: 3-14), as well as the natural gas LEAP deferral amortization as filed by the Company (Exh. EMA-1T at 45: 9-14).

f) Renewables to Benefit Low-Income – Avista commits to discuss potential renewable programs for low-income customers within the confines of the Energy Assistance Advisory Group.

g) Transportation – Avista is currently developing its Electric Vehicle Supply Equipment (EVSE) plan, consistent with new legislation. Avista will work with the EVSE working group to finalize such a filing. Avista is supportive of a 30% goal of program funds to be dedicated to low-income transportation electrification on an aspirational basis, and will consider transportation electrification impacts in demand response pilots and integrated resource planning.

h) Natural Gas Special Contracts – Avista will review all Natural Gas Special Contracts to ensure the economic feasibility of each, or renegotiate any contract not in compliance, by May 1, 2021. The scope of this review will not include a reexamination of the bypass feasibility of existing Natural Gas Special Contracts customers.

i) Inland Empire Paper (IEP) Special Contract – Avista and IEP, with Commission Staff participation, will negotiate in good faith and using best efforts, to reach agreement on a special contract. If the parties affected by this term are unable to reach agreement on a special contract, they will seek resolution through binding arbitration, under Commission auspices. In that case, the final determination of the arbitration shall be filed with the Commission. In addition, IEP shall have the option, at its sole discretion, to forego a Special Contract in favor of remaining on Schedule 25. The effective date of an approved Special Contract will coincide with the rate-effective date of Avista's next electric general rate case, to avoid potential lost margin. By joining this agreement, each Party agrees not to contest the Special Contract on the basis that IEP is not eligible to negotiate a Special Contract, but no Party is agreeing to the existence of future lost margins, or to the allocation of those lost margins to any customer class, and Parties reserve the right to address those issues, or any other issues, in a future rate case, or other appropriate proceeding.

j) Colstrip Capital Investment Limitations – Avista agrees that it will not support capital expenditures at Colstrip that go beyond routine capital maintenance costs that extend the plant's operational life beyond December 31, 2025. Capital costs associated with protecting human health and safety are generally acceptable to the Parties. Avista recognizes and confirms that all Colstrip capital expenditures after December 31, 2017, will be subject to a prudence determination in future rate proceedings and Avista will provide detailed information, including a complete record of the decision making, and a full accounting of the costs related to those project expenditures on an annual basis. This means that Colstrip capital additions after December 31, 2017, and the costs associated with the installation of SmartBurn on Units 3 and 4, are not included in Avista's rate base at this time.[14]

k) <u>Colstrip Transmission Planning</u> – Avista will continue to work with the other Path 8 (MT-to-NW) owners (Northwestern Energy and BPA) to resolve questions surrounding the ability of new generation to use the Colstrip line once Colstrip Units 1 and 2 retire, and also when Units 3 and/or 4 retire. At least one year prior to any closure of Colstrip Units 3 and/or 4, Avista will develop a transition plan for its Colstrip transmission assets. Avista will hold at least one workshop with Commission Staff and stakeholders to determine the transition plan's impacts on Washington ratepayers. Avista will file the transition plan with the Commission.

l) <u>Colstrip Community Transition Fund</u> – A Colstrip Community Transition Fund of $3.0 million will be funded 50% (or $1.5 million) from customers) and 50% (or $1.5 million) from Avista's shareholders. The shareholder portion would be funded on April 1, 2020 after the Settlement Stipulation is approved by the Commission. The customer portion

[14] For Colstrip generation assets beyond 12.31.2017, including the installation costs of SmartBurn in Units 3 and 4, that have been excluded here for prudence review in the next GRC, the Company would defer (with a carrying charge of the FERC rate) the incremental accelerated depreciation on these assets to 2025 (beginning April 1, 2020) until these assets are either included in rates or deemed imprudent in the next GRC, and if found imprudent would be written off at that time along with any deferred depreciation expense and carrying charges. Therefore, recovery of the deferred balance would be determined in the next GRC.

of $1.5 million would be funded on April 1, 2020 and deferred for future rate recovery without a carrying charge. The customer contribution does not increase the agreed-to electric revenue requirement of $28.5 million. Avista shall administer the funds and shall consult with any Party that expresses interest, including but not limited to NWEC and Sierra Club, but the ultimate decisions about how the funds are administered shall be made by Avista. Avista shall administer funds consistent with the terms of this settlement provision. It is the intent of the Parties to ensure that local residents of Rosebud County, governments (City of Colstrip, Rosebud County, and/or Northern Cheyenne Tribal Government), labor organizations, and tribal members such as the Northern Cheyenne and Crow will receive benefits from these funds. Entities will be able to apply for grants to fund education, worker re-training, low income energy efficiency or renewable energy programs, or other such projects that have a local benefit related to helping the community transition away from economic activity related to coal-fired generation. No projects that fund fossil fuels are eligible. This commitment is not intended as a "cap" or limitation on the amount that Avista may ultimately contribute to help the Colstrip community transition from coal-fired generation.

IV. EFFECT OF THE PARTIAL MULTIPARTY SETTLEMENT STIPULATION

15. Binding on Parties. The Parties agree to support the terms of the Partial Multiparty Settlement Stipulation throughout this proceeding, including any appeal, and recommend that the Commission issue an order adopting the Partial Multiparty Settlement Stipulation contained herein. The Parties understand that this Partial Multiparty Settlement Stipulation is subject to Commission approval. The Parties agree that this Partial Multiparty Settlement Stipulation

represents a compromise in the positions of the Parties. As such, conduct, statements and documents disclosed in the negotiation of this Partial Multiparty Settlement Stipulation shall not be admissible evidence in this or any other proceeding.

16. Integrated Terms of Partial Multiparty Settlement. The Parties have negotiated this Partial Multiparty Settlement Stipulation as an integrated document. Accordingly, the Parties recommend that the Commission adopt this Partial Multiparty Settlement Stipulation in its entirety. Each Party has participated in the drafting of this Partial Multiparty Settlement Stipulation, so it should not be construed in favor of, or against, any particular Party.

17. Procedure. The Parties shall cooperate in submitting this Partial Multiparty Settlement Stipulation promptly to the Commission for acceptance. Each Party shall make available a witness or representative in support of this Partial Multiparty Settlement Stipulation. The Parties agree to cooperate, in good faith, in the development of such other information as may be necessary to support and explain the basis of this Partial Multiparty Settlement Stipulation and to supplement the record accordingly.

18. Reservation of Rights. Each Party may offer into evidence its prefiled testimony and exhibits as they relate to the issues in this proceeding, together with such evidence in support of the Stipulation as may be offered at the time of the hearing on the Partial Multiparty Settlement. If the Commission rejects all or any material portion of this Partial Multiparty Settlement Stipulation, or adds additional material conditions, each Party reserves the right, upon written notice to the Commission and all Parties to this proceeding within seven (7) days of the date of the Commission's Order, to withdraw from the Partial Multiparty Settlement Stipulation. If any Party exercises its right of withdrawal, this Partial Multiparty Settlement Stipulation shall be void

and of no effect, and the Parties will support a joint motion for a procedural schedule to address the issues that would otherwise have been settled herein.

19. News Releases. All Parties agree to include in any news release or announcement a statement that Staff's recommendation to approve the Partial Multiparty Settlement Stipulation is not binding on the Commission itself. This subsection does not apply to any news release or announcement that otherwise makes no reference to Staff.

20. No Precedent. The Parties enter into this Partial Multiparty Settlement Stipulation to avoid further expense, uncertainty, and delay. By executing this Partial Multiparty Settlement Stipulation, no Party shall be deemed to have accepted or consented to the facts, principles, methods or theories employed in arriving at the Partial Multiparty Settlement Stipulation, and, except to the extent expressly set forth in the Partial Multiparty Settlement Stipulation, no Party shall be deemed to have agreed that such a Partial Multiparty Settlement Stipulation is appropriate for resolving any issues in any other proceeding.

21. Public Interest. The Parties agree that this Partial Multiparty Settlement Stipulation is in the public interest.

22. Execution. This Partial Multiparty Settlement Stipulation may be executed by the Parties in several counterparts and as executed shall constitute one Partial Multiparty Settlement Stipulation.

Entered into this 21st day of November 2019.

Company: By: ______________________
David J. Meyer
VP, Chief Counsel for Regulatory and Governmental Affairs

Staff: By: ______________________
Jennifer Cameron-Rulkowski
Assistant Attorney General

Public Counsel: By: ______________________
Nina M. Suetake
Assistant Attorney General

AWEC: By: ______________________
Tyler Pepple
Attorney for AWEC

The Energy Project: By: ______________________
Simon J. ffitch
Attorney for The Energy Project

NWEC: By: ______________________
Irion A. Sanger
Attorney for NW Energy Coalition

Sierra Club: By: ______________________
Jessica Yarnall Loarie
Attorney for Sierra Club

Entered into this ______day of November 2019.

Company:	By: ______________________________ David J. Meyer VP, Chief Counsel for Regulatory and Governmental Affairs
Staff:	By: Jennifer Cameron-Rulkowski Jennifer Cameron-Rulkowski Assistant Attorney General
Public Counsel:	By: ______________________________ Nina M. Suetake Assistant Attorney General
AWEC:	By: ______________________________ Tyler Pepple Attorney for AWEC
The Energy Project:	By: ______________________________ Simon J. ffitch Attorney for The Energy Project
NWEC:	By: ______________________________ Irion A. Sanger Attorney for NW Energy Coalition
Sierra Club:	By: ______________________________ Jessica Yarnall Loarie Attorney for Sierra Club

Entered into this 21 day of November 2019.

Company:	By: ______________________ David J. Meyer VP, Chief Counsel for Regulatory and Governmental Affairs
Staff:	By: ______________________ Jennifer Cameron-Rulkowski Assistant Attorney General
Public Counsel:	By: ______________________ Nina M. Suetake Assistant Attorney General
AWEC:	By: ______________________ Tyler Pepple Attorney for AWEC
The Energy Project:	By: ______________________ Simon J. ffitch Attorney for The Energy Project
NWEC:	By: ______________________ Irion A. Sanger Attorney for NW Energy Coalition
Sierra Club:	By: ______________________ Jessica Yarnall Loarie Attorney for Sierra Club

Entered into this 19th day of November 2019.

Company:	By: ______________________ David J. Meyer VP, Chief Counsel for Regulatory and Governmental Affairs
Staff:	By: ______________________ Jennifer Cameron-Rulkowski Assistant Attorney General
Public Counsel:	By: ______________________ Nina M. Suetake Assistant Attorney General
AWEC:	By: ______________________ Tyler Pepple Attorney for AWEC
The Energy Project:	By: ______________________ Simon J. ffitch Attorney for The Energy Project
NWEC:	By: ______________________ Irion A. Sanger Attorney for NW Energy Coalition
Sierra Club:	By: ______________________ Jessica Yarnall Loarie Attorney for Sierra Club

Entered into this 19th day of November 2019.

Company:	By: ______________ David J. Meyer VP, Chief Counsel for Regulatory and Governmental Affairs
Staff:	By: ______________ Jennifer Cameron-Rulkowski Assistant Attorney General
Public Counsel:	By: ______________ Nina M. Suetake Assistant Attorney General
AWEC:	By: ______________ Tyler Pepple Attorney for AWEC
The Energy Project:	By: ______________ Simon J. ffitch Attorney for The Energy Project
NWEC:	By: ______________ Irion A. Sanger Attorney for NW Energy Coalition
Sierra Club:	By: ______________ Jessica Yarnall Loarie Attorney for Sierra Club

Entered into this 19th day of November 2019.

Company:	By: ______________________ David J. Meyer VP, Chief Counsel for Regulatory and Governmental Affairs
Staff:	By: ______________________ Jennifer Cameron-Rulkowski Assistant Attorney General
Public Counsel:	By: ______________________ Nina M. Suetake Assistant Attorney General
AWEC:	By: ______________________ Tyler Pepple Attorney for AWEC
The Energy Project:	By: ______________________ Simon J. ffitch Attorney for The Energy Project
NWEC:	By: Irion Sanger Irion A. Sanger Attorney for NW Energy Coalition
Sierra Club:	By: ______________________ Jessica Yarnall Loarie Attorney for Sierra Club

Entered into this 20th day of November 2019.

Company:	By: ______________________ David J. Meyer VP, Chief Counsel for Regulatory and Governmental Affairs
Staff:	By: ______________________ Jennifer Cameron-Rulkowski Assistant Attorney General
Public Counsel:	By: ______________________ Nina M. Suetake Assistant Attorney General
AWEC:	By: ______________________ Tyler Pepple Attorney for AWEC
The Energy Project:	By: ______________________ Simon J. ffitch Attorney for The Energy Project
NWEC:	By: ______________________ Irion A. Sanger Attorney for NW Energy Coalition
Sierra Club:	By: ______________________ Jessica Yarnall Loarie Attorney for Sierra Club

Attachment A

AVISTA UTILITIES
WASHINGTON ELECTRIC
PROPOSED INCREASE BY SERVICE SCHEDULE
12 MONTHS ENDED DECEMBER 31, 2018
(000s of Dollars)

No.	Type of Service	Schedule Number	Base Tariff Revenue Under Present Rates(1)	Settlement General Increase	Base Tariff Revenue Under Proposed Rates(1)	**Base Tariff Percent Increase**	Total Billed Revenue at Present Rates (2)	Settlement General Increase	Sch 93 ERM Rate Adjustment	Sch 92 LIRAP Rate Adjustment	**Percent Increase on Billed Revenue**
	(a)	(b)	(c)	(d)	(e)	**(f)**	(g)	(h)	(k)	(l)	**(i)**
1	Residential	1/2	$216,075	$14,579	$230,654	**6.7%**	$222,668	$14,579	$0	$187	**6.6%**
2	General Service	11/12	$75,061	$2,131	$77,192	**2.8%**	$80,650	$2,131	$0	$71	**2.7%**
3	Large General Service	21/22	$125,677	$7,135	$132,812	**5.7%**	$136,458	$7,135	$0	$112	**5.3%**
4	Extra Large General Service	25	$66,744	$3,789	$70,533	**5.7%**	$69,319	$3,789	$0	$36	**5.5%**
5	Pumping Service	30/31/32	$12,039	$684	$12,723	**5.7%**	$13,073	$684	$0	$10	**5.3%**
6	Street & Area Lights	41-48	$6,424	$182	$6,606	**2.8%**	$6,754	$182	$0	$6	**2.8%**
7	Total		$502,020	$28,500	$530,520	**5.7%**	$528,921	$28,500	$0	$422	**5.5%**

(1) Excludes all present rate adjustments: Schedule 59 (BPA Residential Exchange), Schedule 75 (Decoupling), Schedule 91 (DSM), Schedule 92 (LIRAP), Schedule 93 (ERM), and Schedule 98 (REC Revenue).

(2) Includes all present rate adjustments: Schedule 59 (BPA Residential Exchange), Schedule 75 (Decoupling), Schedule 91 (DSM), Schedule 92 (LIRAP), Schedule 93 (ERM), and Schedule 98 (REC Revenue).

AVISTA UTILITIES
WASHINGTON ELECTRIC
PRESENT AND PROPOSED RATE COMPONENTS BY SCHEDULE

Type of Service	Base Tariff Sch. Rate	Present Other Adj.(1)	Present Billing Rate	General Rate Inc/Dec	Sch. 92 LIRAP Rate Increase	Sch. 93 ERM Rate Decrease	Proposed Billing Rate	Proposed Base Tariff Rate
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Residential Service - Schedule 1								
Basic Charge	$9.00		$9.00	$0.00			$9.00	$9.00
Energy Charge:								
First 800 kWhs	$0.07533	$0.00284	$0.07817	$0.00570	$0.00008	$0.00000	$0.08395	$0.08103
800 - 1,500 kWhs	$0.08765	$0.00284	$0.09049	$0.00662	$0.00008	$0.00000	$0.09719	$0.09427
All over 1,500 kWhs	$0.10276	$0.00284	$0.10560	$0.00777	$0.00008	$0.00000	$0.11345	$0.11053
General Services - Schedule 11								
Basic Charge	$20.00		$20.00	$0.00			$20.00	$20.00
Energy Charge:								
First 3,650 kWhs	$0.11349	$0.00942	$0.12291	$0.00337	$0.00011	$0.00000	$0.12639	$0.11686
All over 3,650 kWhs	$0.08341	$0.00942	$0.09283	$0.00247	$0.00011	$0.00000	$0.09541	$0.08588
Demand Charge:								
20 kW or less	no charge		no charge	no charge				no charge
Over 20 kW	$6.50/kW		$6.50/kW	$0.50/kW			$7.00/kW	$7.00/kW
Minimums:	$15.00 Single Phase Service						$20.00 Single Phase Service	
	$25.35 Three Phase Service						$27.35 Three Phase Service	
Large General Service - Schedule 21								
Energy Charge:								
First 250,000 kWhs	$0.07189	$0.00799	$0.07988	$0.00346	$0.00008	$0.00000	$0.08342	$0.07535
All over 250,000 kWhs	$0.06430	$0.00799	$0.07229	$0.00312	$0.00008	$0.00000	$0.07549	$0.06742
Demand Charge:								
50 kW or less	$500.00		$500.00	$50.00			$550.00	$550.00
Over 50 kW	$6.50/kW		$6.50/kW	$0.50/kW			$7.00/kW	$7.00/kW
Primary Voltage Discount	$0.20/kW		$0.20/kW				$0.20/kW	$0.20/kW
Extra Large General Service - Schedule 25								
Energy Charge:								
First 500,000 kWhs	$0.05505	$0.00261	$0.05766	$0.00000	$0.00005	$0.00000	$0.05771	$0.05505
500,000 - 6,000,000 kWhs	$0.04953	$0.00261	$0.05214	$0.00000	$0.00005	$0.00000	$0.05219	$0.04953
All over 6,000,000 kWhs	$0.04235	$0.00181	$0.04416	$0.00000		$0.00000	$0.04416	$0.04235
Demand Charge:								
3,000 kva or less	$24,000		$24,000	$6,650			$30,650	$30,650
Over 3,000 kva	$6.50/kva		$6.50/kva	$1.80/kva			$8.30/kva	$8.30/kva
Primary Volt. Discount								
11 - 60 kv	$0.20/kva		$0.20/kva				$0.20/kva	$0.20/kva
60 - 115 kv	$1.10/kva		$1.10/kva	$0.42/kva			$1.52/kva	$1.52/kva
115 or higher kv	$1.40/kva		$1.40/kva	$0.53/kva			$1.93/kva	$1.93/kva
Annual Minimum	Present:	$829,950				Proposed:	$945,750	
Pumping Service - Schedule 31								
Basic Charge	$20.00		$20.00	$0.00			$20.00	$20.00
Energy Charge:								
First 85 kW/kWh	$0.09712	$0.00733	$0.10445	$0.00580	$0.00007	$0.00000	$0.11032	$0.10292
Next 80 kW/kWh	$0.09712	$0.00733	$0.10445	$0.00580	$0.00007	$0.00000	$0.11032	$0.10292
All additional kWhs	$0.06936	$0.00733	$0.07669	$0.00414	$0.00007	$0.00000	$0.08090	$0.07350

(1) Includes all present rate adjustments: Schedule 59 (BPA Residential Exchange), Schedule 75 (Decoupling), Schedule 91 (DSM), Schedule 92 (LIRAP), Schedule 93 (ERM), and Schedule 98 (REC Revenue).

Avista Electric
LIRAP Rate Calculation
UE-190334

Type of Service	Schedule Number	LIRAP Billing Determinants	Present LIRAP Funding Rate	Present LIRAP Funding Revenue	6.5% LIRAP Funding Increase	Proposed LIRAP Funding Revenue	Proposed LIRAP Funding Rate	Total Incremental Rate change
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(m)
Residential	1/2	2,374,703,689	$ 0.00121	$ 2,873,391	$ 186,616	$ 3,060,007	**$ 0.00129**	$ 0.00008
General Service	11/12	619,305,952	$ 0.00176	$ 1,089,194	$ 70,739	$ 1,159,933	**$ 0.00187**	$ 0.00011
					$ -			
Large General Service	21/22	1,365,904,624	$ 0.00127	$ 1,731,074	$ 112,427	$ 1,843,501	**$ 0.00135**	$ 0.00008
Extra Large General Service	25	699,355,023	$ 0.00080	$ 556,527	$ 36,144	$ 592,671	**$ 0.00085**	$ 0.00005
Pumping Service	30/31/32	145,822,517	$ 0.00110	$ 160,455	$ 10,421	$ 170,876	**$ 0.00117**	$ 0.00007
Street & Area Lights	41-48	18,542,032	1.49%	$ 93,800	$ 6,092	$ 99,892	**1.51%**	0.02%
Total		5,223,633,837		$ 6,504,441	$ 422,439	$ 6,926,880		
			Net Funding	$ 6,215,846	$ 403,696	$ 6,619,541		
					6.5%			

Electric LIRAP Percentage Change	
Sch 001 Base Rate Change	6.75%
times 2	13.49%
less Oct Increase	-7.00%
Incremental Change	**6.49%**

AVISTA UTILITIES
WASHINGTON NATURAL GAS
PROPOSED INCREASE BY SERVICE SCHEDULE
12 MONTHS ENDED DECEMBER 31, 2018
(000s of Dollars)

Line No.	Type of Service	Schedule Number	Base Tariff Distribution Revenue Under Present Rates	Settlment General Increase	Base Tariff Distribution Revenue Under Proposed Rates	**Base Tariff Percent Increase**	Total Billed Revenue at Present Rates (1)	Sch. 192 LIRAP Increase	Settlement General Increase	**Percent Increase on Billed Revenue**
	(a)	(b)	(c)	(d)	(e)	**(f)**	(g)	(h)	(h)	**(i)**
1	General Service	101/102	$71,132	$6,187	$77,319	**8.7%**	$112,494	$126	$6,187	**5.5%**
2	Large General Service	111/112/116	$17,418	$1,515	$18,933	**8.7%**	$35,001	$46	$1,515	**4.3%**
3	Large General Svc.-High Annual Load Factor (2)	121/122/126	$0	$0	$0	**0.0%**	$0	$0	$0	**0.0%**
4	Interruptible Service	131/132	$201	$17	$218	**8.7%**	$443	$1	$17	**3.9%**
5	Transportation Service	146	$3,236	$281	$3,517	**8.7%**	$3,284	$7	$281	**8.6%**
6	Special Contracts	148	$1,720	$0	$1,720	**0.0%**	$1,720	$0	$0	**0.0%**
7	Total		$93,707	$8,000	$101,707	**8.5%**	$152,943	$179	$8,000	**5.2%**

(1) Includes Schedule 150 (Purchase Gas Cost Adjustment), Schedule 155 (Gas Rate Adjustment), Schedule 175 (Decoupling), Schedule 191 (DSM Adjustment) and Schedule 192 (LIRAP Adjustment).

(2) As discussed in the testimony of Company witness Miller Schedules 121/122/126 have been discontnued and the associated revenue has been included within rate schedules 111/112/116.

AVISTA UTILITIES
WASHINGTON NATURAL GAS
PRESENT AND PROPOSED RATE COMPONENTS BY SCHEDULE

Type of Service (a)	Present Base Distribution Rate (b)	Present Billing Rate Adj. (1) (c)	Present Billing Rate (d)	General Rate Increase (e)	Sch 92 LIRAP Rate Increase (f)	Proposed Billing Rate(1) (g)	Proposed Base Distribution Rate (h)
General Service - Schedule 101							
Basic Charge	**$9.50**		**$9.50**	**$0.00**		**$9.50**	**$9.50**
Usage Charge:							
First 70 Therms	**$0.36723**	$0.32120	**$0.68843**	**$0.04312**	**$0.00097**	**$0.73252**	**$0.41035**
All over 70 Therms	**$0.47729**	$0.32120	**$0.79849**	**$0.05604**	**$0.00097**	**$0.85550**	**$0.53333**
Large General Service - Schedule 111							
Usage Charge:							
First 200 therms	**$0.48625**	$0.31487	**$0.80112**	**$0.05155**	**$0.00082**	**$0.85349**	**$0.53780**
200 - 1,000 therms	**$0.33354**	$0.31487	**$0.64841**	**$0.02805**	**$0.00082**	**$0.67728**	**$0.36159**
1,000 - 10,000 therms (Adjusted)	**$0.25424**	$0.31487	**$0.56911**	**$0.02138**	**$0.00082**	**$0.59131**	**$0.27562**
10,000 - 25,000 therms (New)					**$0.00082**	**$0.23599**	**$0.23517**
All over 25,000 therms (New)					**$0.00082**	**$0.16579**	**$0.16497**
Minimum Charge:							
per month	**$97.25**		**$97.25**	**$10.31**		**$107.56**	**$107.56**
per therm	**$0.00000**	$0.31487	**$0.31487**		**$0.00082**	**$0.31569**	**$0.00000**
High Annual Load Factor Large General Service - Schedule 121 (Discontinued)							
Usage Charge:							
First 500 therms	**$0.48088**	$0.30985	**$0.79073**			**DISCONTINUED**	
500 - 1,000 therms	**$0.34850**	$0.30985	**$0.65835**				
1,000 - 10,000 therms	**$0.26767**	$0.30985	**$0.57752**				
10,000 - 25,000 therms	**$0.21692**	$0.30985	**$0.52677**				
All over 25,000 therms	**$0.14387**	$0.30985	**$0.45372**				
Minimum Charge:							
per month	**$240.44**		**$240.44**				
per therm	**$0.00000**	$0.30985	**$0.30985**				
Annual Minimum per therm	Present:	$0.38269					
Interruptible Service - Schedule 132							
Usage Charge:							
First 10,000 therms	**$0.24655**	$0.24563	**$0.49218**	**$0.02353**	**$0.00072**	**$0.51643**	**$0.27008**
10,000 - 25,000 therms	**$0.19792**	$0.24563	**$0.44355**	**$0.01889**	**$0.00072**	**$0.46316**	**$0.21681**
25,000 - 50,000 therms	**$0.18598**	$0.24563	**$0.43161**	**$0.01775**	**$0.00072**	**$0.45008**	**$0.20373**
All over 50,000 therms	**$0.18203**	$0.24563	**$0.42766**		**$0.00072**	**$0.42838**	**$0.18203**
Annual Minimum per therm	Present:	$0.27731				Proposed:	$0.27544
Transportation Service - Schedule 146							
Basic Charge	$550.00		**$550.00**	**$75.00**		**$625.00**	**$625.00**
Usage Charge:							
First 20,000 therms	**$0.09690**	$0.00136	**$0.09826**	**$0.00804**	**$0.00019**	**$0.10649**	**$0.10494**
20,000 - 50,000 therms	**$0.08621**	$0.00136	**$0.08757**	**$0.00715**	**$0.00019**	**$0.09491**	**$0.09336**
50,000 - 300,000 therms	**$0.07774**	$0.00136	**$0.07910**	**$0.00645**	**$0.00019**	**$0.08574**	**$0.08419**
300,000 - 500,000 therms	**$0.07189**	$0.00136	**$0.07325**	**$0.00596**	**$0.00019**	**$0.07940**	**$0.07785**
All over 500,000 therms	**$0.05403**	$0.00136	**$0.05539**	**$0.00448**	**$0.00019**	**$0.06006**	**$0.05851**
Annual Minimum per therm	Present:	$0.08905				Proposed:	$0.09336

(1) Includes Schedule 150 (Purchase Gas Cost Adjustment), Schedule 155 (Gas Rate Adjustment), Schedule 174 (Tax Rebate), Schedule 175 (Decoupling), Schedule 191 (DSM Adjustment) and Schedule 192 (LIRAP Adjustment).

Type of Service	Schedule Number	Billing Determinants	Present LIRAP Funding Rate	Present LIRAP Funding Revenue	4.8% LIRAP Funding Increased	Proposed LIRAP Funding Revenue	Proposed LIRAP Rate
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
General Service	101/102	128,985,980	**$ 0.02093**	$ 2,699,677	$ 125,683	$ 2,825,360	**$ 0.02190**
Large General Service	111/112	55,884,877	**$ 0.01754**	$ 980,221	$ 45,634	$ 1,025,855	**$ 0.01836**
Interruptible Service	131/132	985,267	**$ 0.01539**	$ 15,163	$ 706	$ 15,869	**$ 0.01611**
Transportation Service	146	35,607,936	**$ 0.00080**	$ 28,486	$ 6,685	$ 35,171	**$ 0.00099**
Special Contracts	148	54,517,605		$ -	$ -	$ -	
Total		275,981,665		$ 3,723,547	$ 178,708	$ 3,902,255	
			Net Funding	$ 3,559,134	$ 170,817	$ 3,729,951	
					4.80%		

Natural Gas

Sch 101 Base Rate Change	5.90%	Sch 101 & 150 revenue
times 2	11.80%	
less Oct Increase	-7.00%	
Incremental Change	**4.80%**	

Attachment B

AVITA UTILITIES
WASHINGTON ELECTRIC
COLSTRIP DEPRECIATION AND REGULATORY ASSET AMORTIZATION
DOCKET UE-190334
ATTACHMENT B

Lines	($000s)	(A) Balance at March 31, 2020	(B) Amortization Years	(C) Revised Annual Expense	(D) Costs Prior to Adjusting to 2025	(E) Net Change	
1	Colstrip Units 3 and 4 Production Plant (plant-in-service at December 31, 2017) at March 31, 2020	$ 49,953					
2	Less: TCJA Unprotected EDIT at March 31, 2020	(11,709)					
3	Net Production Plant to Depreciate at March 31, 2020	$ 38,244	5.75	$ 6,651	$ 4,033	$ 2,618	Generation Depreciation
4							
5	Colstrip Transmission Plant at March 31, 2020	$ 11,482					
6	Colstrip Transmission Plant D&R Costs at March 31, 2020	4,775					
7	Total Colstrip Transmission Plant	$ 16,257	(1)	$ 500	$ 500	$ -	Transmission Depreciation
8							
9	Colstrip Production Plant D&R Costs at March 31, 2020 ("Colstrip D&R Regulatory Asset")	$ 33,047	33.75	$ 979	$ -	$ 979	Amortization of Regulatory Asset
10							
11	Colstrip Protected EDIT at March 31, 2020	$ (5,657)	5.75	$ (984)	$ (387)	$ (596)	Protected EDIT Amortization
12							
13	Net expense pro formed for Colstrip per Settlement			$ -	$ 1,570	$ (1,570)	
14							
15	Net Total Costs Not Included in Pro Forma			$ 7,147	$ 5,716	$ 1,431	
16							
17	Offsets:						
18	Residual Balance of temporary Tax Credits (FERC Account No. 254230)					$ (900)	
19	ERM Deferral Credit Balance					$ (531)	
20						$ (1,431)	
22							
23	(1) These assets will be depreciated using authorized depreciation rates approved in Docket No. UE-180167 for non-Colstrip transmission assets.						

AVITA UTILITIES
WASHINGTON ELECTRIC
COLSTRIP DEPRECIATION RATES
DOCKET UE-190334
ATTACHMENT B

Colstrip Generation and Transmission Assets

Generation Assets

Asset Category	Existing Depreciation Rates	New 2025 Depreciation Rates
ED.C3.311000	1.56%	4.15%
ED.C3.312000	1.93%	5.01%
ED.C3.313000	2.92%	13.55%
ED.C3.314000	2.79%	8.87%
ED.C3.315000	1.73%	4.94%
ED.C3.316000	1.46%	4.56%
ED.C4.311000	1.68%	3.57%
ED.C4.312000	2.20%	5.95%
ED.C4.313000	2.92%	13.55%
ED.C4.314000	2.88%	9.00%
ED.C4.315000	1.88%	5.18%
ED.C4.316000	1.62%	4.93%

Transmission Assets (1)

Asset Category	Existing Depreciation Rates	New Depreciation Rates
ED.AN.350300	1.24%	1.07%
ED.AN.350400	1.30%	1.19%
ED.AN.352000	1.65%	1.63%
ED.AN.353000	2.33%	2.41%
ED.AN.353100	2.10%	2.41%
ED.AN.354000	1.80%	1.51%
ED.AN.355000	1.38%	1.93%
ED.AN.356000	1.59%	1.90%
ED.AN.357000	1.64%	1.64%
ED.AN.358000	2.02%	2.06%
ED.AN.359000	1.66%	1.41%

(1) Transmission asset depreciation rates above were approved in Docket UE-180167 for all non-Colstrip transmission assets.