

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of the Joint Application of
HYDRO ONE LIMITED (acting through
its indirect subsidiary, Olympus Equity
LLC)**

and

AVISTA CORPORATION

**For an Order Authorizing Proposed
Transaction**

Docket No. U-170970

FIRST AMENDMENT TO SETTLEMENT
STIPULATION AND AGREEMENT

I. PARTIES

1. The undersigned parties (hereinafter “Parties”) represent all who have signed the Settlement Stipulation and Agreement entered into on March 27, 2018 (hereinafter “Stipulation”). The Parties hereby agree to amend the Stipulation to reduce the amount of deferred federal income tax benefit from \$16.7 million to \$10.4 million to be used for purposes of accelerating the depreciation of Colstrip Units 3 and 4 to reflect a “useful life” of 2027 for depreciation purposes, to recognize the impact of Order No. 7 in Dockets UE-170485 and UG-170486, dated April 27, 2018, in Avista’s recently-concluded general rate filings.

2. Accordingly, the Parties agree to amend Commitment No. 76, appearing at page 22 of Appendix A to the Stipulation, and Attachment A to Appendix A, in the manner set forth in the attachment to this First Amendment, appearing in legislative format (denoting changes). The Parties agree to substitute these revised pages for corresponding pages in the Stipulation. In addition the Parties agree to make corresponding changes to the Joint Testimony and Exhibits

(Exh. JNT-1T, JNT-3 and JNT-4), and testimonies of Witnesses Hancock (Exh. CSH-1T) and Andrews (Exh. EMA-1T), and file these revisions with the Commission.

3. In all other respects, the Stipulation as previously entered into by the Parties, shall remain the same.

Entered into this 7th day of May, 2018.

HYDRO ONE LIMITED

By: _____
Elizabeth Thomas, Partner, K&L Gates LLP
Kari Vander Stoep, Partner, K&L Gates LLP
On Behalf of Hydro One Limited and
Olympus Equity LLC

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CONSUMERS**

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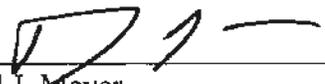
THE ENERGY PROJECT

By: _____
Simon J. ffitch
Attorney at Law

SIERRA CLUB

By: _____
Travis Ritchie
Staff Attorney

AVISTA CORPORATION

By:  _____
David J. Meyer
Chief Counsel for Regulatory and
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Lisa W. Gafken
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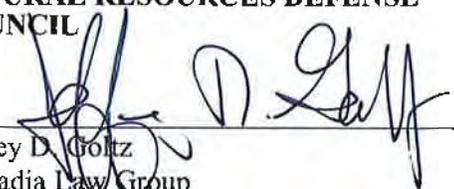
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