

**Avista Corp.**

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VIA – Electronic Mail

October 30, 2023

Kathy Hunter
 Acting Executive Director and Secretary
 Washington Utilities and Transportation Commission
 621 Woodland Square Loop SE
 Lacey, WA 98503

Received
 Records Management
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**RE: Avista Corporation – Docket Nos. UE-220053 / UG-220054 / UE-210854 –
 Tariff Schedule 99 Colstrip 2024 Compliance Filing**

Attached for filing with the Commission is an electronic copy of the Company's revisions to the Colstrip 2024 tariff sheet 99 in compliance with the Commission's Order No. 10/04 in the above referenced dockets.

First Revision Sheet 99	Canceling	Original Sheet 99
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Colstrip Tracker Schedule 99 per Order No. 10/04 in Docket Nos. UE-220053, et. al., allows Avista recovery of its Unit 3 and 4 costs (exclusive of transmission investment and those costs included in the Energy Recovery Mechanism), including operating and maintenance and other expenses, depreciation expense, decommissioning and remediation costs, and return on rate base.

Per Order No. 10/04, all future Colstrip costs are to be recovered separately through this separate tracking mechanism, subject to review through the annual true-up process, including but not limited to an examination of prudence. Furthermore, the Colstrip Tracker would include the following, as outlined in Exh. JT-3T, page 6, lines 7-21:

The Colstrip Tracker would be administered through Tariff Schedule 99 "Colstrip Tracker" with the initial rate effective date of December 21, 2022, concurrent with this GRC, and would be reset each January 1st thereafter, via a filing made each October 31st, until all prudently incurred costs are recovered.

- a. Prudence of incurred costs will be reviewed in each year's annual filing;
- b. The Colstrip Tracker would recover non-O&M items on a one-year lag, using actuals through August 31st and estimates through December 31st of the filing year;

- c. O&M and other expense items (production O&M and amortization expense) will be included in the tracker on the test period basis (or restated basis¹) during the Two-Year Rate Plan in this case, and forecasted, as appropriate, thereafter;
- d. Lifetime D&R cost estimates would be updated each year in the Colstrip Tracker; and
- e. Amounts that were included in Schedule 99 on a forecast basis will be trued-up to actuals in each annual tariff filing.

Workpapers in support of the 2024 Colstrip Tracker values are provided with the Company's filing, including information to support proposed Colstrip Net Plant, Colstrip Regulatory Asset/Liability, amortization and expenses and overall revenue requirement. Also included is information regarding incremental actual and expected capital investment transferring to plant through December 31, 2023.

As shown within the accompanying workpapers, the overall increase in net expense calculated for Colstrip costs for calendar 2024 versus that currently approved per the existing Tariff Schedule 99 for calendar 2023, totaled \$47,192. Because this amount is immaterial (and individual rates could not actually be calculated for certain rate schedules for this increase), the Company included a normalization adjustment reducing the overall expense and revenue requirement determined for 2024, reflecting no change from the present 2023 Tariff Schedule 99 level of \$23.854 million. The under-recovered amount of \$47,192 will be trued-up and recovered in a future Tariff Schedule 99 filing.

The Company requests the Commission approve the proposed Tariff Schedule 99 included with the Company's filing, reflecting a change in language that this tariff will be in effect from January 1, 2024 through December 31, 2024. The monthly rate by individual rate schedules, however, are otherwise unchanged.

Please direct any questions regarding this filing to me at (509) 495-8601.

Sincerely,

/s/ Elizabeth M. Andrews

Elizabeth M. Andrews
Sr. Manager, Revenue Requirements

Enclosures

¹ O&M and other expense referred to reflect test period expense, with the exception of Colstrip major maintenance expense, which reflects a restated balance per prior Commission Order 05, paragraph 153 of Docket UE-150204. These amounts will not be adjusted further over the Two-Year Rate Plan.