

DOCKETS UE-120436 & UG-120437, and UE-110876 & UG-110877
JOINT ISSUES LIST - ELECTRIC
October 1, 2012

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	Adj #	ISSUE	AVISTA - AS FILED			COMMISSION STAFF			PUBLIC COUNSEL		ICNU		NWIGU		THE ENERGY PROJECT		NW ENERGY COALITION	
			Rev. Req.	Rate Base		Rev. Req.	NOI	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base
	Staff E		Overall Rate Increase/Decrease			(\$1,312)												
	Staff E				Staff's surplus considers attrition in the rate year.													
2		1.00 Per Results	\$26,898	\$1,123,911	\$ 8,250	\$ 76,024	\$ 1,123,911	\$26,898	\$1,123,911	12,958	\$1,123,911							
3		1.01 Deferred FIT Rate Base	\$33	\$285	\$ 29	\$ 3	\$ 285	Not addressed in testimony		30	\$285							
4					Uncontested													
5		1.02 Deferred Debits and Credits	(\$797)	(\$7,013)	\$ (675)	\$ (87)	\$ (7,013)	Not addressed in testimony		(710)	(\$7,013)							
6					Uncontested													
7		1.03 Working Capital	\$1,590	\$13,689	\$ 370	\$ 40	\$ 3,744	Not addressed in testimony		1,420	\$13,689							
8					Staff witness Mr. Foisy recommended investor supplied working capital allowance of \$21,932 compared to Avista's allowance of \$31,877.													
9	Staff E	1.04 FIT Correction			\$ (2,941)	\$ 1,826	\$ -											
10					Staff witness Ms. Breda provides an adjustment to correct Federal Income Tax errors identified by Avista in response to PC data request 152.													
12		2.01 Eliminate B&O Taxes	\$73	\$0	\$ 72	\$ (45)	\$ -	Not addressed in testimony		\$73	\$0							
13					Uncontested													
14		2.02 Uncollectible Expense	\$332	\$0	\$ 332	\$ (206)	\$ -	Not addressed in testimony		\$332	\$0							
15					Uncontested													
16		2.03 Regulatory Expense	\$50	\$0	\$ 50	\$ (31)	\$ -	Not addressed in testimony		\$50	\$0							
17					Uncontested													
18		2.04 Injuries and Damages	(\$241)	\$0	\$ (240)	\$ 149	\$ -	Not addressed in testimony		(\$241)	\$0							
19					Uncontested													
20		2.05 FIT/DFIT/ITC/PTC Expense	\$8	\$0	\$ 8	\$ (5)	\$ -	(\$2,933)	\$0	\$8	\$0							
21					Uncontested													
22		2.06 Eliminate WA Power Cost Deferral	(\$13,389)	\$0	\$ (13,389)	\$ 8,312	\$ -	Not addressed in testimony		(\$13,389)	\$0							
23					Uncontested													
24		2.07 Nez Perce Settlement Adjustment	\$15	\$0	\$ 14	\$ (9)	\$ -	Not addressed in testimony		\$15	\$0							
25					Uncontested													
26		2.08 Eliminate A/R Expenses	(\$2)	\$0	\$ (2)	\$ 1	\$ -	Not addressed in testimony		(\$2)	\$0							
27					Uncontested													
28		2.09 Office Space Charges to Subsidiaries	(\$5)	\$0	\$ (5)	\$ 3	\$ -	Not addressed in testimony		(\$5)	\$0							
29					Uncontested													
30		2.10 Restate Excise Taxes	(\$108)	\$0	\$ (108)	\$ 67	\$ -	Not addressed in testimony		(\$108)	\$0							
31					Uncontested													
32		2.11 Net Gains / Losses on Property Sales	(\$84)	\$0	\$ (84)	\$ 52	\$ -	Not addressed in testimony		(\$84)	\$0							
33					Uncontested													
35		2.12 Revenue Normalization	(\$16,294)	\$0	\$ (16,295)	\$ 10,116	\$ -	(\$17,804)	\$0	(17,804)	\$0							
36					Uncontested													
38		2.13 Misc Restating	(\$94)	\$0	\$ (309)	\$ 192	\$ -	Not addressed in testimony		(\$94)	\$0							
39					Staff witness Mr. Keating removes lodging, cruises and other costs, and reflects director's fees at 50%.													
40		2.14 PCB Transformer Restating	(\$892)	\$0	\$ (1,339)	\$ 831	\$ -	(\$1,219)	\$0	(\$892)	\$0							

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	Adj #	ISSUE	AVISTA - AS FILED			COMMISSION STAFF			PUBLIC COUNSEL		ICNU		NWIGU		THE ENERGY PROJECT		NW ENERGY COALITION	
			Rev. Req.	Rate Base		Rev. Req.	NOI	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base
41						Staff witness Ms. Huang rejects Avista's request to recover prior year costs and amortize over a 3 year period.												
42	2.15	Restate Incentives	\$784	\$0		\$ 255	(\$158)	\$ -	\$491	\$0	\$784	\$0						
43						Staff witness Ms. Huang revises this adjustment to remove the CPI component, revise the period averaged and adjust the Executive component.												
44	2.16	Colstrip / CS2 Maintenance	\$1,027	\$0		\$ 1,142	(\$709)	\$ -	(\$676)	\$0	\$1,027	\$0						
45						Staff witness Ms. Breda adjusts this for current 2012 deferrals and recommends discontinuing this mechanism after 2012.												
46	2.17	Restate Debt Interest	(\$203)	\$0		\$ (900)	\$ 559	\$ -	Not addressed in testimony		(\$203)	\$0						
47						Staff witness Mr. Keating does not contest the method although staff has a different cost of debt and rate base.												
48	Staff E	Booz & Company Contract				\$ (1,182)	\$ 734	\$ -										
49						Staff witness Ms. Breda recommends removing the non-recurring fees of this Consultant.												
	Staff E	Restated Total				\$ (26,945)	\$ 97,659	\$ 1,120,927										
50	PC E	2.18 Reinstated FIT for Actual DPAD							(\$515)	\$0								
51	PC E	2.19 Eliminate Performance Excellence Cost							(\$1,183)	\$0								
52	PC E	2.20 Eliminate Discretionary Awards/Gifts							(\$60)	\$0								
53	PC E	2.21 Eliminate Dues and Charitable Contributions							(\$88)	\$0								
54	PC E	2.22 Eliminate Energy Efficiency Expense							(\$3)	\$0								
55	PC E	2.23 Eliminate Corporate Aircraft Costs							(\$5)	\$0								
56	PC E	2.24 Eliminate Estimated Non-Utility Cost							(\$18)	\$0								
57	PC E	2.25 Allocate Portion of SGDP to Idaho							(\$462)	(\$1,548)								
58	PC E	2.26 Savings Offset to Spokane SGIG							(\$163)	\$0								
59	PC E	2.27 Board of Directors - Stock Comp							(\$268)	\$0								
60	PC E	2.28 Board of Directors - Retainers							(\$186)	\$0								
61	PC E	2.29 Officer's Benefits							(\$209)	\$0								
62	PC E	2.30 Remove Compensation Study Costs							(\$5)	\$0								
60		3.00 Pro Forma Power Supply	\$8,437	\$0		\$ 3,081	(\$1,913)	\$ -	Not addressed in testimony		633	\$0						
61						Staff witness Mr. Buckley recommends this updated power supply adjustment.												
62		3.01 Pro Forma Transmission Revenue/Expense	\$847	\$0		\$ 847	(\$526)	\$ -	Not addressed in testimony		\$847	\$0						
63		3.02 Pro Forma Labor Non-Executive	\$2,207	\$0		\$ 1,569	(\$974)	\$ -	\$1,353	\$0	\$2,207	\$0						
64						Staff witness Ms. Huang recommends including wage increase effective through March 2013.												
65		3.03 Pro Forma Labor Executive	(\$14)	\$0		\$ (712)	\$ 442	\$ -	(\$303)	\$0	(\$14)	\$0						
66						Staff witness Ms. Huang recommends changing the amount of Executive compensation and the allocation to regulated and non-regulated operations.												

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67	3.04	Pro Forma Employee Benefits	\$3,454	\$0	\$ 3,454	\$ (2,144)	\$ -	Not addressed in testimony		\$3,454	\$0							
68					Uncontested													
69	3.05	Pro Forma Insurance	(\$107)	\$0	\$ (106)	\$ 66	\$ -	(\$323)	\$0	(\$107)	\$0							
70					Uncontested													
71	3.06	Pro Forma Property Tax	\$2,099	\$0	\$ 47	\$ (29)	\$ -	\$1,262	\$0	1,262	\$0							
72					Staff witness Mr. Foisy adjusts property tax to reflect recent levy rates and assessed values.													
73	3.07	Restate 2011 Capital	\$5,363	\$30,915	\$ -	\$ -		Support	Support	4,980	\$30,915							
74					Staff witness Ms. Breda removes Avista's adjustment to reflect an end of period rate base. Instead Staff recommends the Commission consider the results of an attrition study for the rate year.													
75	Staff E 3.08	Pro Forma Plant Additions - Noxon			\$ 625	\$ (15)	\$ 5,173											
76					Staff witness Mr. Buckley recommends this adjustment to plant for the Noxon Unit 4 upgrades that are also incorporated into net normalized pro forma power supply expenses.													
77	Staff E 3.09	Pro Forma Atmospheric Testing																
78	Staff E 3.10	Pullman Smart Grid Disallowance			\$ (82)	\$ (9)	\$ (827)											
79					Staff witness Mr. Nightingale recommends this disallowance of return on investment based on cost-effective determination.													
80		Attrition related components:																
81	4.00	Planned Capital Additions 2012	\$14,824	\$63,456	Staff witness Mr. Buckley and Ms. Breda recommend rejecting this adjustment and instead consider the results of staff's attrition study.			Oppose	Oppose	0	0							
82	4.01	Planned Capital Additions 2013 (AMA)	\$1,421	(\$2,618)	See explanation in 4.00 above			Oppose	Oppose	0	0							
83	4.02	DSM	\$4,164	\$0	See explanation in 4.00 above			Oppose		0	0							
84	4.03	Other	\$105	\$0	See explanation in 4.00 above			Oppose		0	0							
85	4.04	Retail Revenue Credit	\$3,632	\$0	Staff witness Mr. Buckley recommends accepting the reduction within the ERM. Therefore, this adjustment is unnecessary.			Not addressed in testimony		0	0							
86	4.05	Depreciation Study	(\$3,132)	\$0	\$ (2,157)	\$ 1,339	\$ -	Not addressed in testimony		(\$3,132)	\$0							
87					Staff witness Ms. Huang recommends revising Avista's adjustment reflecting the effects of the depreciation based on an average of the monthly averages rate base consistent with Commission practice and Staff's rate base.													
88	4.06	O&M Offsets	(\$1,021)	\$0	See explanation in 4.00 above			Not addressed in testimony		(\$1,021)	\$0							
89		Revenue Deficiency*	\$40,983	\$1,222,625	\$ (20,378)	\$ 93,896	\$ 1,125,273	PC does not have a calculation for this as we do not address all aspects of the case in testimony. Public Counsel may adopt or oppose adjustments made by other parties and may be able to calculate this item at a later stage in the proceeding		(7,728)	\$1,161,787							

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90		* Reflects Cost of Capital (See page 2)															
91	Staff E	Rate Year Attrition Allowance			\$ 19,066												
92	Staff E	NET REVENUE SURPLUS			\$ (1,312)												
93							Staff witness' Mr. Elgin and Ms. Breda recommend the Commission consider Staff's attrition study and resulting rate year revenue surplus of \$1,312 rejecting Avista's attrition study and related adjustments in the Avista's revenue requirement.										
94																	
95																	
96		OTHER ISSUES	AVISTA		COMMISSION STAFF			PUBLIC COUNSEL		ICNU		NWIUGU		THE ENERGY PROJECT		NW ENERGY COALITION	
97																	
98	Staff E	Palouse PPA Prudence Determination					Staff witness Mr. Nightingale concludes that the acquisition of the Palouse PPA is prudent.										
99	Staff E	Spokane Smart Grid Project Prudence Determination					Staff witness Mr. Nightingale concludes that the Spokane Smart Grid Project is prudent.										
100	Staff E	Workforce Training Project Prudence Determination					Staff witness Mr. Nightingale concludes a prudence determination is premature for the Workforce training Project since the test period does not include any investment for this project.										
101	Staff E	Pullman Smart Grid Project Prudence Determination					Staff witness Mr. Nightingale concludes prudence to the extent the Pullman Smart Grid demonstration project completed through the test period is cost effective. The related disallowance of the return on investment is included in Staff Adjustment 3.09.										
102	Staff E	Allocations					Staff witness Ms. Breda recommends the Commission Order Avista in its next general rate case to provide full justification for all allocation methodologies it uses to fully support those factors Avista deems appropriate.										
104																	
105		COST OF CAPITAL															
106		Cost of Capital - Return on Equity		10.90%		9.0%		Not addressed in testimony		9.40%							
107		Cost of Capital - Cost of Debt		5.76%		5.70%		Not addressed in testimony		5.76%							
108		Cost of Capital - Capital Structure		48.40% Equity		46.00% Equity		Not addressed in testimony		47.3%/52.7% Equity/Debt							
109		Rate of Return		8.25%		7.22%		Not addressed in testimony		7.48%							
110							Staff witness Mr. Elgin addresses cost of capital.										
111		ACCOUNTING ISSUES															
112		Thermal Generation Maintenance		Deferred Accounting Treatment			Staff witness Ms. Breda recommends discounting the deferred maintenance mechanism conditionally approved by the Commission and adopted by Avista as a result of the settlement stipulation in dockets UE-110876 and UG-110877.		Not addressed in testimony								
114																	

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115		COST OF SERVICE/RATE SPREAD/RATE DESIGN																
116		Cost of Service		System Load Factor for Peak Credit Methodology		System Load Factor for Peak Credit Methodology		Direct Customer Cost Approach with respect to the Basic Charge		Peak demand allocation factors								
117		Rate Spread		Uniform % Increase		Staff proposes a rate spread that is consistent with the cost of service study results and principles of cost causation, therefore, not a uniform % increase.		Not addressed in testimony										
118		Rate Design - Schedule 1		<ul style="list-style-type: none"> Increase Basic Charge from \$6.00 to \$10.00 Uniform % increase to Blocks 		<ul style="list-style-type: none"> Increase Basic Charge from \$6.00 to \$7.34 Uniform % increase to Blocks Increase 1st Block to 800kWh, and increase 2nd Block to 1,500kWh 		<ul style="list-style-type: none"> Oppose Increasing Basic Charge from \$6.00 to \$10.00 Maximum Electric Basic Charge is \$7.00 						Oppose				
119		Rate Design - Schedule 11		<ul style="list-style-type: none"> Increase Customer Charge from \$12.00 to \$15.00 Increase Demand from \$5.75 to \$6.25 Uniform % Blocks 		<ul style="list-style-type: none"> Uniform % Blocks 		Not addressed in testimony										
120		Rate Design - Schedule 21		<ul style="list-style-type: none"> Increase Minimum Demand from \$350 to \$400 Increase Demand from \$5.25 to \$5.75 		<ul style="list-style-type: none"> Increase Demand from \$5.25 to \$5.75 Uniform % Blocks 		Not addressed in testimony										
121		Rate Design - Schedule 25		<ul style="list-style-type: none"> Increase Monthly Minimum from \$14,000 to \$16,500 Increase Demand from \$4.25 to \$4.75 Uniform % to the Blocks 		<ul style="list-style-type: none"> Increase Demand from \$4.25 to \$5.75 Uniform % to the Blocks 		Not addressed in testimony		<ul style="list-style-type: none"> 1/2 System average increase to block 3 Equal increase to blocks 1&2 								
122		Rate Design - Schedule 31		<ul style="list-style-type: none"> Increase Customer Charge from \$10.00 to \$15.00 Uniform % Blocks 		<ul style="list-style-type: none"> Increase Customer Charge from \$10.00 to \$13.01 Uniform % Blocks 		Not addressed in testimony										
123		Rate Design - Schedule Lighting		Uniform Percentage Increase		Uniform Percentage Increase		Not addressed in testimony										
124																		
125		LOW INCOME ISSUES		Increase LIRAP funding for electric and gas by % equal to the % rate increase granted for Sch. 1.		Staff witness Ms. Reynolds recommends the existing funding level remain for LIRAP and Avista implement a two-year certification process. Staff also recommends that Avista file a proposal with its next general rate case to change LIRAP from a grant program to a discount rate.		Not addressed in testimony						Funding increase must be 10% above the actual (not ERM return depressed) rate increase; increase Wx funding by \$100,000				
126																		
127		OTHER		ERM Rebate (Schedule 93)		Staff witness Mr. Buckley recommends the Commission reject Avista's proposal to rebate the ERM balance and let the ERM work as it was designed.		Not addressed in testimony						re Smart Grid demo: No mandatory TOU rates or prepayment; meter costs recovered only after proven used & useful				
128																		
129		Electric Decoupling		Not Requested		Not Requested		Oppose										NWEC has submitted a proposal for full electric decoupling
130		Energy Recovery Mechanism (ERM)																
131		Continue ERM Mechanism		Yes		Yes		Not addressed in testimony										
132		Deadband/Sharing Band Modification		One Band - 90% Customer, 10% Company		Staff witness Mr. Buckley recommends rejecting Avista's proposed changes to the ERM existing deadbands and sharing bands.		Not addressed in testimony (Oppose)										

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133		Retail Revenue Credit Calculation		Energy Classified Portion of Fixed and Variable Prod/Trans Costs		Staff witness Mr. Buckley recommends accepting the proposed changes to the calculation of the retail revenue credit within the ERM. This renders the Company's proposed pro forma Adjustment 4.04 - Retail Revenue Credit moot.		Not addressed in testimony (Oppose)										
134		Annual Rate Adjustments		Yes		Staff witness Mr. Buckley proposes a reduction to the trigger threshold instead of annual rate adjustment.		Not addressed in testimony (Oppose)										
	PCE	Refund of Deferred Balance						Not addressed in testimony (Oppose)										
	PCE	Renewable Energy Credits						Not addressed in testimony (Remove from ERM)										
	PCE	Smart Grid Prudence and Policy Issues						Pullman (SGDP) business case is weak. Disallow share of costs allocable to Idaho. Policy concerns with smart meters regarding privacy, remote disconnect and cyber security. (Witness Brockway)										
135	Staff E	Renewable Energy Credit (REC) Revenue				Staff witness Ms. Breda recommends Avista track REC revenues separately within the Company's ERM, not subject to sharing bands.												

This issues list is tendered jointly by the parties as a best efforts summary of current issues and a convenient reference. Parties' positions are represented in testimony, exhibits, and briefs. No party waives its right to take a position on an issue by virtue of this joint issues list.

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	Staff G		Overall Rate Increase				\$3,972											
	Staff G					Staff's deficiency considers attrition in the rate year.												
1		1.00	Actual Per Results Report	\$5,858	\$196,579	\$ 2,598	\$ 12,580	\$ 196,579	\$5,858	\$196,579								
2		1.01	Deferred FIT Rate Base	(\$34)	(\$297)	\$ (29)	\$ (3)	\$ (297)	Not addressed in testimony									
						Uncontested												
3		1.02	Deferred Debits and Credits	\$48	\$12	\$ 48	\$ (29)	\$ 12	Not addressed in testimony									
						Uncontested												
4		1.03	Gas inventory & JP Restating	\$285	\$649	\$ (974)	\$ (173)	\$ (10,773)	Not addressed in testimony									
						Staff witness Ms. Huang removes rate year O&M expense projections and also removes gas inventory. Staff witness Mr. Foisy includes gas inventory in the Working Capital adjustment 1.05.												
	Staff G	1.04	FIT Correction			\$ (32)	\$ 20	\$ -										
						Staff witness Ms. Breda provides an adjustment to correct Federal Income Tax errors identified by Avista in response to PC data request 152.												
	Staff G	1.05	Working Capital			\$ 354	\$ 38	\$ 3,568										
						Staff witness Mr. Foisy recommended investor supplied working capital allowance of \$3,568.												
5		2.01	Revenue Normalization & Gas Cost Adjust	(\$2,481)	\$0	\$ (2,480)	\$ 1,540	\$ -	(\$2,902)	\$0								
						Uncontested												
6		2.02	Eliminate B & O Taxes	\$7	\$0	\$ 8	\$ (5)	\$ -	Not addressed in testimony									
						Uncontested												
7		2.03	Uncollectible Expense	(\$382)	\$0	\$ (382)	\$ 237	\$ -	Not addressed in testimony									
						Uncontested												
8		2.04	Regulatory Expense Adjustment	\$46	\$0	\$ 47	\$ (29)	\$ -	Not addressed in testimony									
						Uncontested												
9		2.05	Injuries and Damages	\$195	\$0	\$ 195	\$ (121)	\$ -	Not addressed in testimony									
						Uncontested												
10		2.06	FIT/DFIT Expense	(\$16)	\$0	\$ (16)	\$ 10	\$ -	(\$49)	\$0								
						Uncontested												
11		2.07	Net Gains/losses	(\$3)	\$0	\$ (3)	\$ 2	\$ -	Not addressed in testimony									
						Uncontested												
12		2.08	Eliminate A/R Expenses	\$0	\$0	\$ -	\$ -	\$ -	Not addressed in testimony									
						Uncontested												
13		2.09	Office Space Charges to Subsidiaries	(\$1)	\$0	\$ (2)	\$ 1	\$ -	Not addressed in testimony									
						Uncontested												
14		2.10	Restate Excise Taxes	\$2	\$0	\$ 2	\$ (1)	\$ -	Not addressed in testimony									
						Uncontested												
15		2.11	Misc Restating Adjustments	(\$26)	\$0	\$ (93)	\$ 58	\$ -	Not addressed in testimony									

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				Rev. Req.	Rate Base	Rev. Req.	NOI	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base
						Staff witness Mr. Keating removes lodging, cruises and other costs, and reflects director's fees at 50%.												
16		2.12	Restating Incentive Adjustment	\$212	\$0	\$ 69	\$(43)	\$ -	\$133	\$0								
						Staff witness Ms. Huang revises this adjustment to remove the CPI component, revise the period averaged and adjust the Executive component.												
17		2.13	Restate Debt Interest	(\$35)	\$0	\$ (158)	\$ 98	\$ -	Not addressed in testimony									
						Staff witness Mr. Keating does not contest the method although staff has a different cost of debt and rate base.												
	PC G	2.14	Eliminate Performance Excellence Cost						(\$321)	\$0								
						Staff witness Ms. Breda recommends removing the non-recurring fees of this Consultant.												
	PC G	2.15	Eliminate Discretionary Awards/Gifts						(\$16)	\$0								
	PC G	2.16	Eliminate Dues and Charitable Contributions						(\$24)	\$0								
	PC G	2.17	Eliminate Promo and DSM Ads						(\$17)	\$0								
	PC G	2.18	Eliminate Corporate Aircraft Costs						(\$1)	\$0								
	PC G	2.19	Eliminate Estimated Non-Utility Cost						(\$5)	\$0								
	PC G	2.20	Board of Directors - Stock Comp						(\$73)	\$0								
	PC G	2.21	Board of Directors - Retainers						(\$51)	\$0								
	PC G	2.22	Officer's Benefits						(\$87)	\$0								
	PC G	2.23	Remove Compensation Study Costs						(\$1)	\$0								
	Staff G		Booz & Company Contract			\$ (322)	\$ 200	\$ -										
18		3.00	Pro Forma Labor Non-Executive	\$614	\$0	\$ 436	\$(271)	\$ -	\$377	\$0								
						Staff witness Ms. Huang recommends including wage increase effective through March 2013.												
19		3.01	Pro Forma Labor Executive	(\$13)	\$0	\$ (205)	\$ 127	\$ -	(\$92)	\$0								
						Staff witness Ms. Huang recommends changing the amount of Executive compensation and the allocation to regulated and non-regulated operations.												
20		3.02	Pro Forma Employee Benefits	\$961	\$0	\$ 961	\$(597)	\$ -	Not addressed in testimony									
						Uncontested												
21		3.03	Pro Forma Insurance	(\$29)	\$0	\$ (29)	\$ 18	\$ -	(\$90)	\$0								
						Uncontested												
22		3.04	Pro Forma Property Tax	\$293	\$0	\$ 64	\$(40)	\$ -	\$219	\$0								
						Staff witness Mr. Foisy adjusts property tax to reflect recent levy rates and assessed values.												
23		3.05	Pro Forma Atmospheric Testing	\$196	\$0	\$ 196	\$(122)	\$ -	Not addressed in testimony									
						Uncontested												
24		3.06	Restating 2011 Capital	\$1,203	\$7,165	\$ -	\$ -	\$ -	Support	Support								

DOCKETS UE-120436 & UG-120437, and UE-110876 & UG-110877
 JOINT ISSUES LIST - NATURAL GAS
 October 1, 2012

NOTE: For issues "not addressed in testimony," parties may adopt, support, or oppose other parties' positions and develop a recommendation in later stages of this proceeding, including on brief. This issues list does not include positions that may be taken in rebuttal or cross-answering.

Adj. #	ISSUE	AVISTA - AS FILED			COMMISSION STAFF			PUBLIC COUNSEL		ICNU		NWIGU		THE ENERGY PROJECT		NW ENERGY COALITION		
		Rev. Req.	Rate Base		Rev. Req.	NOI	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	
					Staff witness Ms. Breda removes Avista's adjustment to reflect an end of period rate base. Instead Staff recommends the Commission consider the results of an attrition study for the rate year.													
25		Attrition related components:						Not addressed in testimony										
26	4.00	Planned Capital Additions 2012	\$2,156	\$5,255	\$ -	\$ -	\$ -	Oppose	Oppose			0	0					
					Staff witness' Mr. Buckley and Ms. Breda recommend rejecting this adjustment and instead consider the results of staff's attrition study.													
27	4.01	Planned Capital Additions 2013 (AMA)	\$519	\$641	\$ -	\$ -	\$ -	Oppose	Oppose			0	0					
					See explanation in 4.00 above													
28	4.02	Depreciation Study	\$525	\$0	\$ 883	\$ (548)	\$ -	Not addressed in testimony										
					Staff witness Ms. Huang recommends revising Avista's adjustment reflecting the effects of the depreciation based on an average of the monthly averages rate base consistent with Commission practice and Staff's rate base.													
29	4.03	O&M Offsets	(\$13)	\$0	\$ -	\$ -	\$ -	Not addressed in testimony										
					See explanation in 4.00 above													
30		Revenue Deficiency*	\$10,088	\$210,004	\$ 1,135	\$ 12,947	\$ 189,089	PC does not have a calculation for this as we do not address all aspects of the case in testimony. Public Counsel may adopt or oppose adjustments made by other parties and may be able to calculate this item at a later stage in the proceeding										
31		* Reflects Cost of Capital (See page 2)																
	Staff G	Rate Year Attrition Allowance					\$ 2,837											
	Staff G	NET REVENUE DEFICIENCY					\$ 3,972											
					Staff witness' Mr. Elgin and Ms. Breda recommend the Commission consider Staff's attrition study and resulting rate year revenue deficiency of \$3,972 rejecting Avista's attrition study and related adjustments in the Avista's revenue requirement.													
32																		
33																		
34		OTHER ISSUES	AVISTA			COMMISSION STAFF			PUBLIC COUNSEL		ICNU		NWIGU		THE ENERGY PROJECT		NW ENERGY COALITION	
35																		
36		COST OF CAPITAL																
37		Cost of Capital - Return on Equity	10.90%			9.00%			Not addressed in testimony									
38		Cost of Capital - Cost of Debt	5.76%			5.70%			Not addressed in testimony									
39		Cost of Capital - Capital Structure	48.40% Equity			46.00% Equity			Not addressed in testimony									
40		Rate of Return	8.25%			7.22%			Not addressed in testimony									
41																		
42		ACCOUNTING ISSUES																
43		Attrition	Proposed Attrition Adjustment						Oppose									
44																		

DOCKETS UE-120436 & UG-120437, and UE-110876 & UG-110877
 JOINT ISSUES LIST - NATURAL GAS
 October 1, 2012

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	Adj.	#	ISSUE	AVISTA - AS FILED		COMMISSION STAFF			PUBLIC COUNSEL		ICNU		NWIGU		THE ENERGY PROJECT		NW ENERGY COALITION	
				Rev. Req.	Rate Base	Rev. Req.	NOI	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base
45			COST OF SERVICE/RATE SPREAD/RATE DESIGN															
46			Cost of Service	System Load Factor for Peak Credit Method	Staff classifies distribution mains differently to reflect the fact that large load customers (i.e., Schedules 131, 132, and 146) benefit from the reliability and capacity of the system that the smaller pipes, less than four inches in diameter, deliver.	Direct Customer Cost Approach with respect to the Basic Charge						NWIGU's cost of service study estimating class contributions using January 2011 customer counts and the five day 68 HDD sustained peak planning measure.						
47			Rate Spread	Uniform % Increase	Staff proposes a rate spread that is consistent with the cost of service study results and principles of cost causation, therefore, not a uniform % increase.	Not addressed in testimony						NWIGU's rate spread using only margin (or delivery) related costs, not the Company's total revenue approach.						
48			Rate Design - Schedule 101	<ul style="list-style-type: none"> Increase Basic Charge from \$6.00 to \$10.00 Remaining to Volumetric Rate 	<ul style="list-style-type: none"> Increase Basic Charge from \$6.00 to \$10.98 Create a Volumetric Block at 70 therms Remaining to Volumetric Rates 	<ul style="list-style-type: none"> Oppose Increasing Basic Charge from \$6.00 to \$10.00 Maximum Natural Gas Basic Charge is \$8.00 												
49			Rate Design - Schedule 111	<ul style="list-style-type: none"> Increase Minimum Charge based on Schedule 101 Basic & Volumetric Changes Remaining uniform percentage to Blocks 2 and 3 	<ul style="list-style-type: none"> Uniform percentage to the blocks 	Not addressed in testimony												
50			Rate Design - Schedule 121	<ul style="list-style-type: none"> Increase Minimum Charge based on Schedule 101 Basic & Volumetric Changes Remaining equal percentage to Blocks 2, 3 and 4 	<ul style="list-style-type: none"> Uniform percentage to the blocks 	Not addressed in testimony												
51			Rate Design - Schedule 131	<ul style="list-style-type: none"> Uniform percentage to the blocks 	<ul style="list-style-type: none"> Uniform percentage to the blocks 	Not addressed in testimony												
52			Rate Design - Schedule 146	<ul style="list-style-type: none"> Increase Minimum Demand from \$250 to \$275 Remaining to blocks on uniform percentage basis 	<ul style="list-style-type: none"> Increase Minimum Demand from \$250 to \$269.29 Remaining to blocks on uniform percentage basis 	Not addressed in testimony						basic charge increased to \$300, any remaining increase (decrease) be collected by equal percentage increase (decrease) to all volumetric charges.						
53																		
54			LOW INCOME ISSUES	Increase LIRAP funding for electric and gas by % equal to the % rate increase granted for Sch. 101.	Staff witness Ms. Reynolds recommends the existing funding level remain for LIRAP and Avista implement a two-year certification process. Staff also recommends that Avista file a proposal with its next general rate case to change LIRAP from a grant program to a discount rate.	Not addressed in testimony												
55																		
56			OTHER		Aldyl- A pipe replacement program, require the Company to track steel and polyethylene, particularly Aldyl-A pipe, distribution mains in separate subaccounts under Federal Energy Regulatory Commission's ("FERC") Uniform System of Accounts ("USOA") 376 for past and future plant.													
57	PC G		Recovery of Pipeline Replacement			Not addressed in direct testimony												

This issues list is tendered jointly by the parties as a best efforts summary of current issues and a convenient reference. Parties' positions are represented in testimony, exhibits, and briefs. No party waives its right to take a position on an issue by virtue of this joint issues list.