Avista Corp.
1411 East Mission P.O. Box 3727
Spokane. Washington 99220-0500
Telephone 509-489-0500
Toll Free 800-727-9170



October 1, 2012

## Sent via Overnight Mail

Mr. David Danner
Executive Director & Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
P. O. Box 47250
Olympia, Washington 98504-7250

Re:

Docket No. Dockets UE-120436 et al

Joint Issues List

July Sonwood

Dear Mr. Danner:

Please find enclosed for filing with the Commission an original and 20 copies of the Joint Issues List.

Please direct any questions related to this filing to Paul Kimball at (509) 495-4584.

Sincerely,

Kelly Norwood

Vice President State and Federal Regulation

Enclosures

## DOCKETS UE-120436 & UG-120437, and UE-110876 & UG-110877 JOINT ISSUES LIST - ELECTRIC October 1, 2012 a recommendation in later stages of this proceeding, including on bri

		DSUE AVISIA-AS-HEED COMMISSION STAFF PUBLIC COURSE. INVOIDED TO THE CONTROL OF TH	,		+	-		,	,	_		)	,		7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7 7	Data Data	Data Data - Data - Data
Staff E	7	Overall Rate Increase/Decrease	Rev. Req.	Rate Base	Rev. Req.	keq.	(\$1,312)	Kate Base	Kev. Keq.	trace page	Kev. Keq.	٠	q. Rate base	+	Kate base	Rate base Nev. Neq.	Rate base Nev. neq. Rate base
Staff E	1 00	Der Reculte	\$26.808	¢1 173 911	Staff's	urplus con:	siders attrition i	Staff's surplus considers attrition in the rate year.	\$75.898 \$1	¢1 123 911	13	12 958	958 \$1 123 911				
ω		Deferred FIT Rate Base	\$33	\$285	\$			1	essed ii	stimony		30					
4							Uncontested										
5	1.02 Def	Deferred Debits and Credits	(\$797)	(\$7,013)	\$	(675) \$	(87)	\$ (7,013)	Not addressed in testimony	stimony		(710)	(710) (\$7,013)				
6					+	-	Uncontested		-								
7	1.03 Wo	Working Capital	\$1,590	\$13,689	\$	370 \$	40	\$ 3,744	Not addressed in testimony	stimony		1,420	1,420 \$13,689				
					Staff : suppl com	witness Mr. ied working pared to Av	Staff witness Mr. Foisy recommended investor supplied working capital allowance of \$21,932 compared to Avista's allowance of \$31,877.	ended investor nce of \$21,932 e of \$31,877.									
9 Staff E		1.04 FIT Correction			· v	(2,941) \$	1,826	٠,									
10					Staff wi	tness Ms. E # Federal Ir sta in respo	taff witness Ms. Breda provides an adjustment to correct Federal Income Tax errors identified by Avista in response to PC data request 152.	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 Elir	Eliminate B&O Taxes	\$73	\$0	\$	72 \$	(45)	\$	Not addressed in testimony	stimony	$\dashv$	\$73	\$73 \$0				
13							Uncontested										
14	2.02 Un	Uncollectible Expense	\$332	\$0	\$	332 \$	(206)	\$ -	Not addressed in testimony	estimon		y \$332		\$332	\$332	\$332	\$332
16	2.03 Res	Regulatory Expense	\$50	\$0	S	50 \$	(31)	\$	Not addressed in testimony	stimony	_	\$50	\$50 \$0				
17						-	Uncontested				-						
18	2.04 Inji	Injuries and Damages	(\$241)	\$0	Ş	(240) \$	149	\$ -	Not addressed in testimony	estimony		(\$241)	(\$241) \$0				
19							Uncontested				$\vdash$						
20	2.05 FIT,	FIT/DFIT/ITC/PTC Expense	\$8	\$0	\$	8 \$	5	\$ -	(\$2,933)	\$0		\$8		\$8	\$8	\$8	\$8
21				}			Uncont										
23 4	2.00	Filling & MO 1 OMEL COST DETERIOR	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	ų,	•	(10,000,01)	Uncontested	4		1000000	+	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	1,100,000)				
24	2.07 Ne:	Nez Perce Settlement Adjustment	\$15	\$0	\$	14 \$		\$	Not addressed in testimony	estimor	₹	γ \$15		\$15	\$15	\$15	\$15
25						-	Uncontested										
26	2.08 Elir	Eliminate A/R Expenses	(\$2)	\$0	\$	(2) \$	1	٠,	Not addressed in testimony	estimony		(\$2)	(\$2) \$0				
27							Uncontested				-						
28	2.09 Off	Office Space Charges to Subsidiaries	(\$5)	\$0	s	(5) \$	w	\$	Not addressed in testimony	estimon	`,	(\$5)	•	(\$5)	(\$5)	(\$5)	(\$5)
29							Uncontested	1			-						
30	2.10 Res	Restate Excise Taxes	(\$108)	\$0	\$	(108) \$		\$	Not addressed in testimony	estimony	<u> </u>	(\$108)		(\$108)	(\$108)	(\$108)	(\$108)
31							Uncontested										
32	2.11 Ne	Net Gains / Losses on Property Sales	(\$84)	\$0	\$	(84) \$	52	\$ .	Not addressed in testimony	estimony		(\$84)	(\$84) \$0				
33							Uncontested										
35	2.12 Re	Revenue Normalization	(\$16,294)	\$0	\$	(16,295) \$	10,116	\$ .	(\$17,804)	\$0	0	0 (17,804)		(17,804)	(17,804)	(17,804)	(17,804)
36			,				Uncontested				-						
	2.13 Mi	Misc Restating	(\$94)	\$0	s	(309) \$	192	\$	Not addressed in testimony	estimony	<del> </del>	(\$94)	(\$94) \$0				
39					Staff w	Staff witness Mr. Keating removes lodging, cruises and other costs, and reflects director's fees at 50%.	(eating removes	Staff witness Mr. Keating removes lodging, cruises			_						

Joint Issue List - Avista October 2012.xlsx 10/1/2012

65	64	63	62	61	60	62	61	60	59	58	57	56	55	54	22	<u>ر</u> ک	ع :	5		49	48	47	46	45	4	43	42	41		40		
						PCE	PC E	PC €	PCE	PC E	PCE	PCE	PCE	PC E	P	ה הל ה	3 2	3	Staff E		StaffE											
3.03 Pro Forma Labor Executive		3.02 Pro Forma Labor Non-Executive	3.01 Pro Forma Transmission Revenue/Expense		3.00 Pro Forma Power Supply	2.30 Remove Compensation Study Costs	2.29 Officer's Benefits	2.28 Board of Directors - Retainers	2.27 Board of Directors - Stock Comp	2.26 Savings Offset to Spokane SGIG	2.25 Allocate Portion of SGDP to Idaho	2.24 Eliminate Estimated Non-Utility Cost	2.23 Eliminate Corporate Aircraft Costs		2.21 Eliminate Dues and Charitable Contributions	2.19 Eliminate Discretionary Awards (Gifts		3 to ballacters Ell for Actual DDAD	Restated Total		Booz & Company Contract		2.17 Restate Debt Interest		2.16 Colstrip / CS2 Maintenance		2.15 Restate Incentives			2.14 PCB Transformer Restating	# ISSUE	NOTE: for issues 'not addressed in testimony, 'parties may adopt, support, or oppose other parties positions and evently a recommendation in acts processing incoming into the commendation in acts processing in acts processing in the commendation in acts processing in acts and acts processing in acts and acts processing in acts and acts are commendation in acts are commendation in acts and acts are commendation in acts ar
(\$14)		\$2,207	ue/Expense \$847		\$8,437	osts			P		ho	Cost	sts	ense	Contributions	/Giffs	Section 1						(\$203)		\$1,027		\$784		:	(\$892)	Rev. Reg.	on resumony, parties may aut
\$0		\$0	\$0		\$0																		\$0		\$0		\$0			\$0	Rate Base	opt, support, or oppose
\$ (712) \$	Staff witness Ms. wage increase ef	\$ 1,569 \$	\$ 847 \$	Staff witness Mr. Bu power	\$ 3,081 \$													+	\$ (26,945) \$	Staff witness Ms. Br non-recurring	\$ (1,182) \$	Staff witness Mr. method although st	\$ (900) \$	Staff witness Ms. Bre deferrals and reco	\$ 1,142 \$	Staff witness Ms. Hu remove the CPI co averaged and adju	\$ 255 \$	recover prior year co	Staff witness Ms. Hu	\$ (1,339) \$	Rev. Req.	other parties position
442 \$	Staff witness Ms. Huang recommends including wage increase effective through March 2013.	(974) \$	(526) \$	Staff witness Mr. Buckley recommends this updated power supply adjustment.	(1,913) \$										į				97,659 \$ 1,	Staff witness Ms. Breda recommends removing the non-recurring fees of this Consultant.	734 \$	Staff witness Mr. Keating does not contest the method although staff has a different cost of debt and rate base.	559 \$	Staff witness Ms. Breda adjusts this for current 2012 deferrals and recommends discontinuing this mechanism after 2012.	(709) \$	Staff witness Ms. Huang revises this adjustment to remove the CPI component, revise the period averaged and adjust the Executive component.	(158) \$	recover prior year costs and amortize over a 3 year period.	Staff witness Ms. Huang rejects Avista's request to	831 \$	NOI Rate	valection cavetob a recom
- (\$	luding 2013.	- \$1,353	- Not addr	updated	- Not addr		(\$:	(\$	(\$:	(\$:	(\$.					(2)	(51 183)	(5)	1,120,927	ing the	,	test the st of debt	- Not addre	this	- (\$6	nent to riod	\$491	3 year		$\dashv$	te Base Rev. Req.	PUBLI
(\$303) \$0		353 \$0	Not addressed in testimony		Not addressed in testimony	(\$5) \$0	(\$209) \$0	(\$186) \$0	(\$268) \$0	(\$163) \$0	(\$462) (\$1,548)	(\$18) \$0	(\$5) \$0		(\$88) \$0								Not addressed in testimony		(\$676) \$0		91 \$0				Rate Base	IS COLINSEI
(\$14)		\$2,207	\$847		633																		(\$203)		\$1,027		\$784			92)	Rev. Req.	ICNO
\$0		\$0	\$0		\$0																		\$0		\$0		\$0			ő	Rate Base Rev. Req.	WW
																															Rate Base Re	GU
																															Rev. Req. Rate Base	THE ENERGY PROJECT
																															ise Rev. Req.	NW ENERGY CO.
																								9							Rate Base	ALITION

## DOCKETS UE-120436 & UG-120437, and UE-110877 JOINT ISSUES LIST - ELECTRIC 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.

88	87	86	85	22	83	82	81	88	79	78	+	76	75	74	73	72	71	70	69	68	67	66		
	<del></del> -									Staff E	Staff		Staff E											_
4 06 0		4.05 De	4.04 Re	4.03	4.02	4.01	4.00	Ąţ		3.10 Pu	3 09 0		3.08 Pr	<del> </del>	3.07 Re	-	3.06 Pro		3.05 Pro		3.04 Pro		**	
O&M Offsets		Depreciation Study	Retail Revenue Credit	Other	DSM	Planned Capital Additions 2013 (AMA)	Planned Capital Additions 2012	Attrition related components:		3.10 Pullman Smart Grid Disallowance	o Forma Atmospheric Testing		Pro Forma Plant Additions - Noxon		Restate 2011 Capital		Pro Forma Property Tax		Pro Forma Insurance		Pro Forma Employee Benefits			ISSUE
(\$1.021)		(\$3,132)	\$3,632	\$105	\$4,164	\$1,421	\$14,824								\$5,363		\$2,099		(\$107)		\$3,454		Rev. Req.	AVIS
\$0		\$0	\$0	\$0	\$0	(\$2,618)	\$63,456								\$30,915		\$0		\$0		\$0		Rate Base	IA - AS FILEU
See explanation in 4.00 above	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.	\$ (2,157) \$ 1,339 \$ -	Staff witness Mr. Buckley recommends accepting the reduction within the ERM. Therefore, this adjustment is unnecessary.	See explanation in 4.00 above	See explanation in 4.00 above	See explanation in 4.00 above	Staff witness' Mr. Buckley and Ms. Breda recommend rejecting this adjustment and instead consider the results of staff's attrition study.		Staff witness Mr. Nightingale recommends this disallowance of return on investment based on costeffective determination.	\$ (82) \$ (9) \$ (827)		Staff witness Mr. Buckley recommends this adjustment to plant for the Noxon Unit 4 upgrades that are also incorporated into net normalized proforma power supply expenses.	\$ 625 \$ (15) \$ 5,173	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.	\$ - \$ -	Staff witness Mr. Foisy adjusts property tax to reflect recent levy rates and assessed values.	\$ 47 \$ (29) \$ -	Uncontested	\$ (106) \$ 66 \$ -	Uncontested	\$ 3,454 \$ (2,144) \$ -	Staff witness Ms. Huang recommends changing the amount of Executive compensation and the allocation to regulated and non-regulated operations.	Rev. Req. NOI Rate Base	COMMISSION STAFF
Not addressed in testimony		Not addressed in testimony	Not addressed in testimony	Oppose	Oppose	Oppose	Oppose			7)			3	of at	Support	<u>ct</u>	\$1,262		(\$323)		Not addressed in testimony	0	Rev. Req.	Poblicion
in testimony		in testimony	in testimonγ			Oppose	Oppose								Support		\$0		\$0		in testimony		Rate Base	JONSEL
(\$1,021)		(\$3,132)	0	0	0	0	0								4,980		1,262		(\$107)		\$3,454		Rev. Keq.	ICHO
\$0		\$0	0	0	0	0	0					-			\$30,915		\$0		\$0		\$0		Kate Base	
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## DOCKETS UE-120436 & UG-120437, and UE-110876 & UG-110877 JOINT ISSUES UST - ELECTRIC October 1, 2012 a recommendation in later stages of this proceeding. including on br

100	108	107	106	105	104	102	101	100	99	98	96	95	92	93	92	91	90	89		
						Staff E	Staff E	Staff E	StaffE	Staff E					Staff E	Staff E				
																			##	Adj
The Control of the Co	Cost of Capital - Capital Structure	Cost of Capital - Cost of Debt	Cost of Capital - Return on Equity	COST OF CAPITAL		Allocations	Pullman Smart Grid Project Prudence Determination	Workforce Training Project Prudence Determination	Spokane Smart Grid Project Prudence Determination	Palouse PPA Prudence Determination	OTHER ISSUES				NET REVENUE SURPLUS	Rate Year Attrition Allowance	* Reflects Cost of Capital (See page 2)	Revenue Deficiency*		ISSUE AVISTA - AS FILED COMMISSION STAFF PUBLIC COUNSEL ICNU NWIGU THE ENERGY PROJECT NW ENERGY COALITION
	4.																	\$40,983	Rev. Req.	AVIS
	48.40% Equity	5.76%	10.90%								AVISTA							\$1,222,625	Rate Base	TA - AS FILED
						Staff witne Commission Ord to provide f methodologies i Avi	Staff witness Mr the extent the project comple effective. The ra investment is	Staff witness Mr determination training Proje include ar	Staff witness N Spokane S	Staff witness N acquisition				Staff witness' M the Commission resulting rate rejecting Avi adjustments in	\$ (1,312)	\$ 19,066		78)	Rev. Req.	Curcipation
	46.00% Equity	5.70%	9.0%			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.	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.	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.	Staff witness Mr. Nightingale concludes that the Spokane Smart Grid Project is prudent.	Staff witness Mr. Nightingale concludes that the acquisition of the Palouse PPA is prudent.	COMMISSION STAFF			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.				\$ 93,896	NOI	OMMISSION STAFF
						general rate case general rate case all allocation ort those factors late.	des prudence to demonstration st period is cost of the return on justment 3.09.	udes a prudence he Workforce riod does not iis project.	cludes that the s prudent.	ludes that the is prudent.	T			da recommend rition study and lus of \$1,312 and related e requirement.				\$ 1,125,273	Rate Base	
	Not addressed in testimony	Not addressed in testimony	Not addressed in testimony								PUBLIC COUNSEL							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	Rev. Req.	PUBLIC CO
	in testimony	in testimony	in testimony								UNSEL							t address all in testimony.  nay adopt or ents made by may be able to tat a later stage eeding	Rate Base	UNSEL
	7.48%	5./6%	9.40%								ICNU							(7,728)	Rev. Req.	ICNI
	EdutAl Dept	5%	9%															\$1,161,787	Rate Base	
		}									NWIGU								Rev. Req.	NWI
											IGU								Rate Base	GU
											THE ENER								Rev. Req.	THE ENERG
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			1	+							NW ENERG								Rev. Req.	NW ENERG
											NW ENERGY COALITION								Rate Base	Y COALITION

DOCKETS UE-120436 & UG-120437, and UE-110877

JOINT ISSUES LIST - ELECTRIC

October 1, 2012

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.

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Note the proceeding in the

125	124	123	122	121	120	119	118	117	116	115	112	111	110	
		-			77	7	27	32	C	C		Α.		#
LOW INCOME ISSUES		Rate Design - Schedule Lighting	Rate Design - Schedule 31	Rate Design - Schedule 25	Rate Design - Schedule 21	Rate Design - Schedule 11	Rate Design - Schedule 1	Rate Spread	Cost of Service	COST OF SERVICE/RATE SPREAD/RATE DESIGN	Thermal Generation Maintenance	ACCOUNTING ISSUES		
Increase LIRAP funding for electric and gas by % equal to the % rate increase granted for Sch. 1.		Uniform Percentage Increase	<ul> <li>Increase Customer Charge from \$10.00 to \$15.00</li> <li>Uniform % Blocks</li> </ul>	<ul> <li>increase Monthly Minimum from \$14,000 to \$16,500</li> <li>Increase Demand from \$4.25 to \$4.75</li> <li>Uniform % to the Blocks</li> </ul>	<ul> <li>Increase Minimum Demand from \$350 to \$400</li> <li>Increase Demand from \$5.25 to \$5.75</li> </ul>	<ul> <li>Increase Customer Charge from \$12.00 to \$15.00</li> <li>Increase Demand from \$5.75 to \$6.25</li> <li>Uniform % Blocks</li> </ul>	• Increase Basic Charge from \$6.00 to \$10.00 • Uniform ¢ increase to Blocks	Uniform % Increase	System Load Factor for Peak Credit Methodology		Deferred Accounting Treatment			Rev. Req. Rate Base
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.		Uniform Percentage Increase	• Increase Customer Charge from \$10.00 to \$13.01 • Uniform % Blocks	• Increase Demand from \$4.25 to \$5.75 • Uniform % to the Blocks	• Increase Demand from \$5.25 to \$5.75 • Uniform % Blocks	• Uniform % Blocks	<ul> <li>Increase Basic Charge from \$6.00 to \$7.34</li> <li>Uniform % increase to Blocks</li> <li>Increase 1st Block to 800kWh, and increase 2nd Block to 1,500kWh</li> </ul>	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.	System Load Factor for Peak Credit Methodology		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.		Staff witness Mr. Elgin addresses cost of capital.	Rev. Req. NOI Rate Base
Not addressed in testimony		Not addressed in testimony	Not addressed in testimony	Not addressed in testimony	Not addressed in testimony	Not addressed in testimony	Oppose Increasing Basic Charge from \$6.00 to \$10.00 Maximum Electric Basic Charge is \$7.00	Not addressed in testimony	Direct Customer Cost Approach with respect to the Basic Charge		Not addressed in testimony			Rev. Req. Rate Base
				• 1/2 System average incease to block 3 • Equal increase to blocks 1&2					Peak demand allocation factors					Rev. Req. Rate Base
														Rev. Req. Rate Base
Funding increase must be 10% above the actual (not ERM return depressed) rate increase; increase Wx funding by \$100,000							Oppose							Rev. Req. Kate base
														Kev. Keq. Kate Base

# DOCKETS UE-120436 & UG-110877 JOINT ISSUES LIST - ELECTRIC JOINT ISSUES LIST - ELECTRIC 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 the parties of the partie

- H				134	133	132	131	130	129	128	127	
135 Sta	P	P	PC E	14	<u>.</u>	2		8	9	80	7	
Staff E	PCE	PCE	m									#
Renewable Energy Credit (REC) Revenue	Smart Grid Prudence and Policy Issues	Renewable Energy Credits	Refund of Deferred Balance	Annual Rate Adjustments	Retail Revenue Credit Calculation	Deadband/Sharing Band Modification	Continue ERM Mechanism	Energy Recovery Mechanism (ERM)	Electric Decoupling		OTHER	
				Yes	Energy Classified Portion of Fixed and Variable Prod/Trans Costs	One Band - 90% Customer, 10% Company	Yes	-	Not Requested		Rebate (Si	Rev. Req. Rate Base
Staff witness Ms. Breda recommends Avista track REC revenues separately within the Company's ERM, not subject to sharing bands.				Staff witness Mr. Buckley proposes a reduction to the trigger threshold instead of annual rate adjustment.	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.	Staff witness Mr. Buckley recommends rejecting Avista's proposed changes to the ERM existing deadbands and sharing bands.	Yes		Not Requested		ness Mr. B reject Avi Ince and le	Rev. Req. NOI Rate Base
	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)	Not addressed in testimony (Remove from ERM)	Not addressed in testimony (Oppose)	Not addressed in testimony (Oppose)	Not addressed in testimony (Oppose)	Not addressed in testimony (Oppose)	Not addressed in testimony		Oppose		Not addressed in testimony	Kev. Keq. Kate base
	ъ.											Rev. Req. Nate base
												ver ved.
											re Smart Grid demo: No mandatory TOU rates or prepayment; meter costs recovered only after pproven used & useful	incernical.
									NWEC has submitted a proposal for full electric decoupling			

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.

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.  THE ENERGY PROJECT  ANISTA - AS FILED  COMMISSION STAFF  PUBLIC COUNSEL  ICOU	may adopt, support, or o	ppose other parties' AS FILED	ositions and develop a recommendation in later s  COMMISSION STAFF	stages of this proceeds	ng, including on brief. T	nis issues list does no	t include positions t	nat may be taken iii NWIGU	ebuttal or cross-a	THE ENERGY	PROJECT
#	Rev. Req.	Rate Base	Rev. Req. NOI Rate B	te Base Rev. Req.	. Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	, å
Start G Overall Nate increase			33,772								
Staff G			Staff's deficiency considers attrition in the rate year.	year.							
1.00 Actual Per Results Report	\$5,858	\$196,579	\$ 2,598 \$ 12,580 \$ 1	196,579 \$5,858	\$196,579						
	(\$34)	(\$297)	(29) \$ (3) \$		Not addressed in testimony						
			Uncontested							1	
1.02 Deferred Debits and Credits	\$48	\$12	\$ 48 \$ (29) \$	12 Not add	Not addressed in testimony					1	
			Uncontest							-	
1.03 Gas inventory & JP Restating	\$285	\$649	\$ (974) \$ (173) \$ (	(10,773) Not add	Not addressed in testimony					1	
			Staff witness Ms. Huang removes rate year O&M expense projections and also removes gas inventon	ν&Μ ntory.							
			Staff witness Mr. Folsy includes gas inventory in the Working Capital adjustment 1.05.	in the							· · · · · · ·
Staff G 1.04 FIT Correction			\$ (32) \$ 20 \$							1	
			Staff witness Ms. Breda provides an adjustment to	int to							·-
			response to PC data request 152.							1	
Staff G 1.05 Working Capital			\$ 354 \$ 38 \$	3,568							
	<u></u>	. "	Staff witness Mr. Foisy recommended investor supplied working capital allowance of \$3,568.	upplied							
2.01 Revenue Normalization & Gas Cost Adjust	(\$2,481)	\$0	\$ (2,480) \$ 1,540 \$	- (\$2	(\$2,902) \$0						
_			Uncontested	+	Total in talling						
2.02 Eliminate B & O Taxes	\$7	\$0	\$ 8 \$ (5) \$	- Not ado	Not addressed in testimony						
			Uncontested	+							
2.03 Uncollectible Expense	(\$382)	\$0	\$ (382) \$ 237 \$	- Not ado	Not addressed in testimony						
			Uncontested							1	
2.04 Regulatory Expense Adjustment	\$46	ŝo	\$ 47   \$ (29)   \$	Not ado	Not addressed in testimony			į			
	\$195	\$0	\$ 195 \$ (121) \$	- Not add	Not addressed in testimony					- 1	
C.U Injures and Damages	\$193	30	193							- 1	
2.06 FIT/DFIT Expense	(\$16)	So	\$ (16) \$ 10 \$	'	(\$49) \$0					- 1	
2.06 HI/DHI Expense	(516)	Ş	Uncontested 101	-						- 1	
			Oncontested					-		- 1	
2.07 Net Gains/losses	(\$3)	\$0	\$ (3) \$ 2 \$	- Not adi	Not addressed in testimony					1	
	-		Uncontested								
2.08 Eliminate A/R Expenses	\$0	\$0	\$ . \$	Not adv	Not addressed in testimony						
			Uncontested								
2.09 Office Space Charges to Subsidiaries	(\$1)	\$0	\$ (2) \$ 1 \$	. Not ad	Not addressed in testimony						
			Uncontested								
2.10 Restate Excise Taxes	\$2	\$0	\$ 2 \$ (1) \$	. Not ad	Not addressed in testimony		i	1			
			Uncontested							1	
	(363)	ŝ	, , , , , , , , , , , , , , , , , , , ,	, Not ad	Not addressed in testimony						_

							JOINT ISSUES LIST - NATURAL GAS October 1, 2012	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.  AVISTA - AS FILED COMMISSION STAFF PUBLIC COUNSEL ICNU NWIGU THE ENERGY PROJECT	s may adopt, support, or o	oppose other parties' - AS FILED	positions and develop a r	recommendation in later	stages of this proceeding	ic COUNSEL	is issues list does not in	clude positions I	hat may be taken ir NWIGI	o rebuttal or cross-	THE ENERGY	PROJECT	ERGY CO	NOIT
		#	Rev. Req.	Rate Base	Rev. Req.	NOI Rate	te Base Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req.	Rate Base	Rev. Req. Ra	Rate Base
					Staff witness Mr. Keat other costs, and re	Staff witness Mr. Keating removes lodging, cruises and other costs, and reflects director's fees at 50%.	ises and									
16	-	2.12 Restating Incentive Adjustment	\$212	\$0	\$ 69 \$	(43) \$	. \$133	33 \$0								
					Staff witness Ms. Hi remove the CPI compo	Staff witness Mis. Huang revises this adjustment to remove the CPI component, revise the period averaged and adjust the Executive component.	veraged									
17		2.13 Restate Debt Interest	(\$35)	\$0	\$ (158) \$	\$ 86	- Not addre	Not addressed in testimony								
					Staff witness Mr. Kear although staff has a dif	Staff witness Mr. Keating does not contest the method although staff has a different cost of debt and rate base.	method ate base.									
	PC G	2.14 Eliminate Performance Excellence Cost					(\$321)	21) \$0								
-			-		Staff witness Ms. Bred recurring for	Staff witness Ms. Breda recommends removing recurring fees of this Consultant.	ng the non-									
	PC G	2.15 Eliminate Discretionary Awards/Gifts					\$	(\$16) \$0								
	PC G						(S									
	PC G	2.17 Eliminate Promo and DSM Ads					(\$	(\$17) \$0								
<u></u>	P 2	2.19 Fliminate Estimated Non-Utility Cost														
	PC G						\$)	(\$73) \$0								
	PC G	2.21 Board of Directors - Retainers					(\$	(\$51) \$0								
	PC G	2.22 Officer's Benefits					(\$									
	PC G	2.23 Remove Compensation Study Costs						(\$1) \$0							+	
18	Sail o	3.00 Pro Forma Labor Non-Executive	\$614	\$0	\$ 436 \$	(271) \$	. \$3	\$377 \$0								
					Staff witness Ms. Hu increase effec	Staff witness Ms. Huang recommends including wage increase effective through March 2013.	. Ig wage									
19		3.01 Pro Forma Labor Executive	(\$13)	\$0	\$ (205) \$	127 \$	- (\$	(\$92) \$0								
					Staff witness Ms. H amount of Executive c regulated and	Staff witness Ms. Huang recommends changing the amount of Executive compensation and the allocation to regulated and non-regulated operations.	ing the cation to									
20	$\perp$	3.02 Pro Forma Employee Benefits	\$961	\$0	\$ 961 \$	(597) \$	- Not addre	Not addressed in testimony								
						Uncontested										
21		3.03 Pro Forma insurance	(\$29)	\$0	\$ (29) \$	18 \$	- (\$	(\$90) \$0								
22		3.04 Pro Forma Property Tax	\$293	\$0	\$ 64 \$	(40) \$	\$2	\$219 \$0								
					Staff witness Mr. Fo recent lewyn	Staff witness Mr. Foisy adjusts property tax to recent levy rates and assessed values.	to reflect s.					~· -··				
23		3.05 Pro Forma Atmospheric Testing	\$196	Şo	\$ 196 \$	(122) \$	- Not addre	Not addressed in testimony								
			-			Uncontested										
24		3.06 Restating 2011 Capital	\$1,203	\$7,165	·		- Support	Support			_				_	

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Attrition	ACCOUNTING ISSUES	Rate of Return	Cost of Capital - Capital Structure	Cost of Capital - Cost of Debt	Cost of Capital - Return on Equity	COST OF CAPITAL	OTHER ISSUES				NET REVENUE DEFICIENCY	Rate Year Attrition Allowance	* Reflects Cost of Capital (See page 2)	Revenue Deficiency*		O&M Offsets		Depreciation Study		Planned Capital Additions 2013 (AMA)		Planned Capital Additions 2012	Attrition related components:			ISSUE AVISTA - AS FILED COMMISSION STAFF PUBLIC COUNSEL ICNU NWIGU THE ENERGY PROJECT
Proposed Attrit		8.25%	48.40%	5.7	10.90%		4	AVISTA						\$10,088		(\$13)		\$525		\$519		\$2,156			Rev. Req.	AVISTA -
Proposed Attrition Adjustment		15%	48.40% Equity	5.76%	90%		SIA							\$210,004		\$0		\$0		\$641		\$5,255			Rate Base	AS FILED .
		7.22%	46.00% Equity	5.70%	9.00%		COMMISSION STAFF	COMMANDED NOTATE		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.	\$ 3,972	\$ 2,837		\$ 1,135 \$ 12,947	See explanation in 4.00 above	\$ - \$ -	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.	\$ 883 \$ (548) \$	See explanation in 4.00 above	\$ - \$ -	Staff witness' Mr. Buckley and Ms. Breda recommend rejecting this adjustment and instead consider the results of staff's attrition study.	\$ -		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.	Rev. Req. NOI	COMMISSION STAFF
										recommend the tudy and resulting rejecting Avista's rejecting Avista's ts in the Avista's				\$ 189,089	bove	-	s revising Avista's the depreciation verages rate base and Staff's rate		bove	\$ - 0	eda recommend id consider the tudy.	\$ -		a's adjustment to Instead Staff r the results of an year.	Rate Base	
Opp		Not addresse	Not addressed in testimony	Not addresse	Not addressed in testimony		POBLIC	J. O. Leitid						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		Not addressed in testimony		Not addressed in testimony		Oppose		Oppose	Not addressed in testimony		Rev. Req.	PUBLIC C
Oppose		Not addressed in testimony	d in testimony	Not addressed in testimony	in testimony		CONSEL	BUBLIC COLINEES						a calculation for oddress all aspects stimony. Public sopt or oppose by other parties to calculate this r stage in the eding		in testimony		in testimony		Oppose		Oppose	in testimony		Rate Base	OUNSEL
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Recovery of Pipeline Replacement	OTHER	LOW INCOME ISSUES	Rate Design - Schedule 146	Rate Design - Schedule 131	Rate Design - Schedule 121	Rate Design - Schedule 111	Rate Design - Schedule 101	Rate Spread	Cost of Service	COST OF SERVICE/RATE SPREAD/RATE DESIGN		NOTE: For issues not addressed in testimony, parties	
-		Increase LIRAP funding for electric and gas by % equal to the % rate increase granted for Sch. 101.	• Increase Minimum Demand from \$250 to \$275  • Remaining to blocks on uniform percentage basis	<ul> <li>Uniform percentage to the blocks</li> </ul>	<ul> <li>Increase Minimum Charge based on Schedule 101 Basic &amp; Volumetric Changes</li> <li>Remaining equal percentage to Blocks 2.</li> <li>3 and 4</li> </ul>	<ul> <li>Increase Minimum Charge based on Schedule 101 Basic &amp; Volumetric Changes</li> <li>Remaining uniform percentage to Blocks 2 and 3</li> </ul>	Increase Basic Charge from \$6.00 to \$10.00  Remaining to Volumetric Rate	Uniform % Increase	System Load Factor for Peak Credit Method		Rev. Req. Rate Base	AVISTA - AS FILED	•
	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 ("USDA") 376 for past and future plant.	Staff witness Ms. Reynolds recommends the existing funding level remain for URAP and Avista implement a two-year certification process. Staff also recommends that Avista file a proposal with its next general rate case to change LRAP from a grant program to a discount rate	<ul> <li>Increase Minimum Demand from \$250 to \$269.29</li> <li>Remaining to blocks on uniform percentage basis</li> </ul>	<ul> <li>Uniform percentage to the blocks</li> </ul>	<ul> <li>Uniform percentage to the blocks</li> </ul>	<ul> <li>Uniform percentage to the blocks</li> </ul>	<ul> <li>Increase Basic Charge from \$6.00 to \$10.98</li> <li>Create a Volumetric Block at 70 therms</li> <li>Remaining to Volumetric Rates</li> </ul>	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.	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.		Rev. Req. NOI Rate Base	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 procedural, including on their his passes in testimony, parties may adopt, support, or oppose other parties positions and develop a recommendation in later stages of this procedural, including on their his passes in the community of the entropy of the	
Not addressed in direct testimony		Not addressed in testimony	Not addressed in testimony	Not addressed in testimony	Not addressed in testimony	Not addressed in testimony	Oppose Increasing Basic Charge from \$6.00 to \$10.00 Maximum Natural Gas Basic Charge is \$8.00	Not addressed in testimony	Direct Customer Cost Approach with respect to the Basic Charge		Rev. Req. Rate Base	PUBLIC COUNSEL	October 1, 2012
											Rev. Req. Rate Base	ICNU	ain increas list done not include position
			basic charge increased to \$300, any remaining increase (decrease) be collected by equal percentage increase (decrease) to all volumetric charges.					NWIGU's rate spread using only margin (or delivery) related costs, not the Company's total revenue approach.	NWIGU's cost of service study estimating class contributions using January 2011 customer counts and the five day 68 HDD sustained peak planning measure.		Rev. Req. Rate Base	NWIGU	r that may he taken in rebuttal or cross
											Rev. Req. Rate Base	THE ENERGY PROJECT	c.ancwering.
											Rev. Req. Rate Base	ERGY CO/	

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 wirtue of this joint issues list.