

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

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,

A handwritten signature in cursive script that reads "Kelly Norwood".

Kelly Norwood
Vice President State and Federal Regulation

Enclosures

RECEIVED
RECORDS MANAGEMENT
2012 OCT -2 PM 12:09
STATE OF WASHINGTON
UTIL. AND TRANSPORTATION
COMMISSION

October 1, 2012

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| | Adj # | ISSUE | AVISTA - AS FILED | | COMMISSION STAFF | | | PUBLIC COUNSEL | | ICNU | | NWICU | | THE ENERGY PROJECT | | NW ENERGY COALITION | |
|---------|--------------|--------------------------------------|-------------------|-------------|------------------|--|-----------|----------------|----------------------------|-------------|------------|-------------|-----------|--------------------|-----------|---------------------|-----------|
| | | | Rev. Req. | Rate Base | Rev. Req. | NOI (\$1,312) | 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 | | | | | | | | | | | | | | | |
| Staff E | 1.00 | Per Results | \$26,898 | \$1,123,911 | \$ | 8,250 | \$ 76,924 | \$ 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 Debts 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/DFT/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 Retaining | (\$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%. | | | | | | | | | | | |

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| 40 | 2.14 | PCB Transformer Restating | (\$892) | \$0 | \$ (1,339) | \$ 831 | \$ - | (\$1,219) | \$0 | (\$892) | \$0 | | | | | | | | | | | | |
| 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 | | 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 | 2.18 | Reinstate FIT for Actual DPAD | | | | | | (\$515) | \$0 | | | | | | | | | | | | | | |
| 51 | 2.19 | Eliminate Performance Excellence Cost | | | | | | (\$1,183) | \$0 | | | | | | | | | | | | | | |
| 52 | 2.20 | Eliminate Discretionary Awards/Gifts | | | | | | (\$60) | \$0 | | | | | | | | | | | | | | |
| 53 | 2.21 | Eliminate Dues and Charitable Contributions | | | | | | (\$88) | \$0 | | | | | | | | | | | | | | |
| 54 | 2.22 | Eliminate Energy Efficiency Expense | | | | | | (\$3) | \$0 | | | | | | | | | | | | | | |
| 55 | 2.23 | Eliminate Corporate Aircraft Costs | | | | | | (\$5) | \$0 | | | | | | | | | | | | | | |
| 56 | 2.24 | Eliminate Estimated Non-Utility Cost | | | | | | (\$18) | \$0 | | | | | | | | | | | | | | |
| 57 | 2.25 | Allocate Portion of SGDP to Idaho | | | | | | (\$462) | (\$1,548) | | | | | | | | | | | | | | |
| 58 | 2.26 | Savings Offset to Spokane SGIG | | | | | | (\$163) | \$0 | | | | | | | | | | | | | | |
| 59 | 2.27 | Board of Directors - Stock Comp | | | | | | (\$268) | \$0 | | | | | | | | | | | | | | |
| 60 | 2.28 | Board of Directors - Retainers | | | | | | (\$186) | \$0 | | | | | | | | | | | | | | |
| 61 | 2.29 | Officer's Benefits | | | | | | (\$209) | \$0 | | | | | | | | | | | | | | |
| 62 | 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 | | | | | | | | | | | | |

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| 66 | | | | | | Staff witness Ms. Huang recommends changing the amount of Executive compensation and the allocation to regulated and non-regulated operations. | | | | | | | | | | | | | | | | | |
| 67 | | 3.04 Pro Forma Employee Benefits | \$3,454 | \$0 | \$0 | \$ 3,454 | (2,144) | \$ - | Not addressed in testimony | | \$3,454 | \$0 | | | | | | | | | | | |
| 68 | | | | | | Uncontested | | | | | | | | | | | | | | | | | |
| 69 | | 3.05 Pro Forma Insurance | (\$107) | \$0 | \$0 | \$ (106) | 66 | \$ - | (\$323) | \$0 | (\$107) | \$0 | | | | | | | | | | | |
| 70 | | | | | | Uncontested | | | | | | | | | | | | | | | | | |
| 71 | | 3.06 Pro Forma Property Tax | \$2,099 | \$0 | \$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 | \$0 | \$ - | \$ - | \$ - | 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 | | | \$5,173 | \$ 625 | (15) | \$ - | | | | | | | | | | | | | | | |
| 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. Nighthale 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 | \$0 | 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) | \$0 | See explanation in 4.00 above | | | Oppose | Oppose | 0 | 0 | | | | | | | | | | | |
| 83 | | 4.02 DSM | \$4,164 | \$0 | \$0 | See explanation in 4.00 above | | | Oppose | | 0 | 0 | | | | | | | | | | | |
| 84 | | 4.03 Other | \$105 | \$0 | \$0 | See explanation in 4.00 above | | | Oppose | | 0 | 0 | | | | | | | | | | | |
| 85 | | 4.04 Retail Revenue Credit | \$3,632 | \$0 | \$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 | \$0 | 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. | | | Not addressed in testimony | | (\$3,132) | \$0 | | | | | | | | | | | |
| 87 | | | | | | | | | | | | | | | | | | | | | | | |
| 88 | | 4.06 O&M Offsets | (\$1,021) | \$0 | \$0 | See explanation in 4.00 above | | | Not addressed in testimony | | (\$1,021) | \$0 | | | | | | | | | | | |

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| Issue # | Issue | AVISTA - AS FILED | | COMMISSION STAFF | | PUBLIC COUNSEL | | ICNU | | NWIGU | | THE ENERGY PROJECT | | NW ENERGY COALITION | |
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| 89 | Revenue Deficiency* | \$40,983 | \$1,222,625 | \$ (20,378) | \$ 93,896 | \$ 1,125,273 | | | | | | | | | |
| 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 | | | | | | | | | | | | | | | |
| 94 | | | | | | | | | | | | | | | |
| 95 | | | | | | | | | | | | | | | |
| 96 | OTHER ISSUES | | | | | | | | | | | | | | |
| 97 | | | | | | | | | | | | | | | |
| 98 | Staff E Palouse PPA Prudence Determination | | | | | | | | | | | | | | |
| 99 | Staff E Spokane Smart Grid Project Prudence Determination | | | | | | | | | | | | | | |
| 100 | Staff E Workforce Training Project Prudence Determination | | | | | | | | | | | | | | |
| 101 | Staff E Pullman Smart Grid Project Prudence Determination | | | | | | | | | | | | | | |
| 102 | Staff E Allocations | | | | | | | | | | | | | | |
| 104 | | | | | | | | | | | | | | | |
| 105 | COST OF CAPITAL | | | | | | | | | | | | | | |
| 106 | Cost of Capital - Return on Equity | | 10.90% | | | | 9.0% | | | | | | | | 9.40% |
| 107 | Cost of Capital - Cost of Debt | | 5.76% | | | | 5.70% | | | | | | | | 5.76% |
| 108 | Cost of Capital - Capital Structure | | 48.40% Equity | | | | 46.00% Equity | | | | | | | | 47.3%/52.7% Equity/Debt |
| 109 | Rate of Return | | 8.25% | | | | 7.22% | | | | | | | | 7.48% |

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| 110 | | ACCOUNTING ISSUES | | | Staff witness Mr. Egin addresses cost of capital. | | | | | | | | | | | | | | |
| 111 | | | | | | | | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | | | | | | | | |
| 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 | | | | | | | | | | | | | | | | | | | |

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| 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 approved 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) | | | | | | | | |
| 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) | | | | | | | | |
| | | Refund of Deferred Balance | | | | | | Not addressed in testimony (Oppose) | | | | | | | | |
| | | Renewable Energy Credits | | | | | | Not addressed in testimony (Remove from ERM) | | | | | | | | |
| | | 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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| Adj. # | ISSUE | AVISTA - AS FILED | | | COMMISSION STAFF | | | PUBLIC COUNSEL | | | CNU | | | 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 | Rev. Req. | Rate Base | | | | |
| Staff G | Overall Rate Increase | | | | \$3,972 | | | | | | | | | | | | | | | | | |
| 1 | Actual Per Results Report | \$5,858 | \$196,579 | \$ | 2,598 | \$ | 12,560 | \$ | 196,579 | \$5,858 | \$196,579 | | | | | | | | | | | |
| 2 | Deferred FIT Rate Base | (\$34) | (\$297) | \$ | (29) | \$ | (3) | \$ | (297) | Not addressed in testimony | | | | | | | | | | | | |
| 3 | Deferred Debits and Credits | \$48 | \$12 | \$ | 48 | \$ | (29) | \$ | 12 | Not addressed in testimony | | | | | | | | | | | | |
| 4 | Gas Inventory & JP Restating | \$285 | \$649 | \$ | (974) | \$ | (173) | \$ | (10,773) | Not addressed in testimony | | | | | | | | | | | | |
| Staff G | FIT Correction | | | \$ | (32) | \$ | 20 | \$ | - | | | | | | | | | | | | | |
| Staff G | Working Capital | | | \$ | 354 | \$ | 38 | \$ | 3,568 | | | | | | | | | | | | | |
| 5 | Revenue Normalization & Gas Cost Adjust | (\$2,481) | \$0 | \$ | (2,480) | \$ | 1,540 | \$ | - | (\$2,902) | \$0 | | | | | | | | | | | |
| 6 | Eliminate B & O Taxes | \$7 | \$0 | \$ | 8 | \$ | (5) | \$ | - | Not addressed in testimony | | | | | | | | | | | | |
| 7 | Uncollectible Expense | (\$382) | \$0 | \$ | (382) | \$ | 237 | \$ | - | Not addressed in testimony | | | | | | | | | | | | |
| 8 | Regulatory Expense Adjustment | \$46 | \$0 | \$ | 47 | \$ | (29) | \$ | - | Not addressed in testimony | | | | | | | | | | | | |
| 9 | Injuries and Damages | \$195 | \$0 | \$ | 195 | \$ | (121) | \$ | - | Not addressed in testimony | | | | | | | | | | | | |
| 10 | FIT/DHT Expense | (\$16) | \$0 | \$ | (16) | \$ | 10 | \$ | - | (\$49) | \$0 | | | | | | | | | | | |
| 11 | Net Gains/losses | (\$3) | \$0 | \$ | (3) | \$ | 2 | \$ | - | Not addressed in testimony | | | | | | | | | | | | |
| 12 | Eliminate A/R Expenses | \$0 | \$0 | \$ | - | \$ | - | \$ | - | Not addressed in testimony | | | | | | | | | | | | |
| 13 | Office Space Charges to Subsidiaries | (\$1) | \$0 | \$ | (2) | \$ | 1 | \$ | - | Not addressed in testimony | | | | | | | | | | | | |
| 14 | Restate Excise Taxes | \$2 | \$0 | \$ | 2 | \$ | (1) | \$ | - | Not addressed in testimony | | | | | | | | | | | | |
| 15 | Misc Restating Adjustments | (\$26) | \$0 | \$ | (93) | \$ | 58 | \$ | - | Not addressed in testimony | | | | | | | | | | | | |

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| Adj # | ISSUE | Rev. Req. | Rate Base | COMMISSION STAFF | | | PUBLIC COUNSEL | | | THE ENERGY PROJECT | | | NW ENERGY COALITION | | |
|---------|--|-----------|-----------|------------------|-------|-----------|----------------|-----------|-----------|--------------------|-----------|-----------|---------------------|-----------|--|
| | | | | Rev. Req. | NOI | Rate Base | Rev. Req. | Rate Base | Rev. Req. | Rate Base | Rev. Req. | Rate Base | Rev. Req. | Rate Base | |
| 16 | 2.12 Restating Incentive Adjustment | \$212 | \$0 | \$ | 69 | \$ | (43) | \$ | \$133 | \$0 | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| 17 | 2.13 Restate Debt Interest | (\$35) | \$0 | \$ | (158) | \$ | 98 | \$ | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| PC G | 2.14 Eliminate Performance Excellence Cost | | | | | | | | (\$321) | \$0 | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| 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 | | | | | | | | (\$4) | \$0 | | | | | |
| Staff G | Booz & Company Contract | | | | | | | | | | | | | | |
| 18 | 3.00 Pro Forma Labor Non-Executive | \$614 | \$0 | \$ | (322) | \$ | 200 | \$ | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| 19 | 3.01 Pro Forma Labor Executive | (\$13) | \$0 | \$ | (205) | \$ | 127 | \$ | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| 20 | 3.02 Pro Forma Employee Benefits | \$961 | \$0 | \$ | 961 | \$ | (597) | \$ | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| 21 | 3.03 Pro Forma Insurance | (\$29) | \$0 | \$ | (29) | \$ | 18 | \$ | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| 22 | 3.04 Pro Forma Property Tax | \$293 | \$0 | \$ | 64 | \$ | (40) | \$ | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| 23 | 3.05 Pro Forma Atmospheric Testing | \$196 | \$0 | \$ | 196 | \$ | (122) | \$ | | | | | | | |
| | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |
| 24 | 3.06 Restating 2011 Capital | \$1,203 | \$7,165 | \$ | - | \$ | - | \$ | | | | | | | |

| Adj. # | ISSUE | AVISTA - AS FILED | | COMMISSION STAFF | | | PUBLIC COUNSEL | | ICNU | NW/GU | 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 | |
| 25 | Attrition related components: | | | | | | | | | | | | | | |
| 26 | 4.00 Planned Capital Additions 2012 | \$2,156 | \$5,255 | \$ - | \$ - | \$ - | | | | | 0 | 0 | | | |
| 27 | 4.01 Planned Capital Additions 2013 (AMA) | \$519 | \$641 | \$ - | \$ - | \$ - | | | | | 0 | 0 | | | |
| 28 | 4.02 Depreciation Study | \$525 | \$0 | \$ 883 | \$(548) | \$ - | | | | | | | | | |
| 29 | 4.03 O&M Offsets | \$(13) | \$0 | \$ - | \$ - | \$ - | | | | | | | | | |
| 30 | Revenue Deficiency* | \$10,088 | \$210,004 | \$ 1,135 | \$ 12,947 | \$ 189,089 | | | | | | | | | |
| 31 | Staff G | | | \$ 2,837 | | | | | | | | | | | |
| | Staff G | | | \$ 3,972 | | | | | | | | | | | |
| 32 | | | | | | | | | | | | | | | |
| 33 | | | | | | | | | | | | | | | |
| 34 | OTHER ISSUES | | AVISTA | | COMMISSION STAFF | | PUBLIC COUNSEL | | ICNU | | NW/GU | | 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 | | | | | | | | | | | | | | | |

| | Agl. # | 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. |
| 45 | | COST OF SERVICE/RATE SPREAD/RATE DESIGN | | | | | | | | | | | | | | |
| 46 | | Cost of Service | | | | | | | | | | | | | | |
| 47 | | Rate Spread | | | | | | | | | | | | | | |
| 48 | | Rate Design - Schedule 101 | | | | | | | | | | | | | | |
| 49 | | Rate Design - Schedule 111 | | | | | | | | | | | | | | |
| 50 | | Rate Design - Schedule 121 | | | | | | | | | | | | | | |
| 51 | | Rate Design - Schedule 131 | | | | | | | | | | | | | | |
| 52 | | Rate Design - Schedule 146 | | | | | | | | | | | | | | |
| 53 | | | | | | | | | | | | | | | | |
| 54 | | LOW INCOME ISSUES | | | | | | | | | | | | | | |
| 55 | | | | | | | | | | | | | | | | |
| 56 | | OTHER | | | | | | | | | | | | | | |
| 57 | PC G | Recovery of Pipeline Replacement | | | | | | | | | | | | | | |

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