



**Avista Corp.**

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**VIA – Electronic Mail**

October 31, 2024

Mr. Jeff Killip  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, WA 98503

**RE: Avista Corporation – Docket Nos. UE-220053 / UG-220054 / UE-210854 –  
Tariff Schedule 99 Colstrip 2025 Compliance Filing**

Attached for filing with the Commission is an electronic copy of the Company’s revisions to the Colstrip 2025 tariff sheet 99 in compliance with the Commission’s Order No. 10/04 in the above referenced dockets proposed to be effective January 1, 2025.

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

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

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

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

- c. O&M and other expense items (production O&M and amortization expense) will be included in the tracker on the test period basis (or restated basis<sup>1</sup>) during the Two-Year Rate Plan in this case, and forecasted, as appropriate, thereafter;
- d. Lifetime D&R cost estimates would be updated each year in the Colstrip Tracker; and
- e. Amounts that were included in Schedule 99 on a forecast basis will be trueed-up to actuals in each annual tariff filing.<sup>2</sup>

Workpapers (both confidential and non-confidential) in support of the 2025 Colstrip Tracker values are provided with the Company's filing, including information to support proposed Colstrip Net Plant, Colstrip Regulatory Asset/Liability, amortization and expenses and overall revenue requirement. Also included as Confidential Attachments A through C<sup>3</sup>, is information regarding incremental actual and expected capital investment transferring to plant January 2024 through December 31, 2025, above prior December 2023 approved levels. Capital investment included in the 2024 Colstrip Tariff included investment through December 31, 2023 only, therefore 2024 and 2025 investments are included for recovery in this tariff schedule over the 2025 calendar year. Confidential information is provided per WAC 480-07-160.

All plant investment included for recovery is appropriate to recover in 2025 as it reflects investment necessary to operate Colstrip Units 3 and 4 through December 31, 2025, benefiting customers. Barring this investment, unforeseen outages at Colstrip could occur resulting in increased power supply costs. The monthly lost benefit of a Colstrip Unit 3 and 4 outage equates to approximately \$8.0 million system, or \$5.2 million allocated to Washington.

Also included for recovery in the 2025 Colstrip Tariff Schedule 99 is the average Colstrip Materials and Operating Supply Inventory (FERC Account 154.400) balance of \$2.8 million (Washington share) and the average Colstrip Fuel Stock Coal (FERC Account 151.120) inventory balance of \$1.2 million (Washington share) ("Inventory Balances"). These Inventory Balances have previously been included with Washington electric Working Capital in base rates, earning a return on this inventory balance.<sup>4</sup>

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<sup>1</sup> O&M and other expense referred to [in the 2023 and 2024 Tariff 99 filings] reflect test period expense, with the exception of Colstrip major maintenance expense, which reflects a restated balance per prior Commission Order 05, paragraph 153 of Docket UE-150204. These amounts will not be adjusted further over the Two-Year Rate Plan.

<sup>2</sup> Given all Colstrip costs included in Colstrip Tariff Schedule 99, with the exception of D&R cost estimates, must be excluded effective January 1, 2026, a true-up of actual balances above forecasted balances included in the 2025 tariff in the following 2026 annual tariff filing is not feasible. However, if the Company's 2024 and 2025 estimated capital and 2025 estimated O&M expense exceed actual Colstrip costs incurred through 2025, the Company will defer those balances for return to customers in the updated Colstrip Tariff Schedule 99 filed for calendar 2026.

<sup>3</sup> Confidential Attachment A includes individual Investment Summary sheets for all 2024 and 2025 investments greater than \$300,000 (Avista share). Confidential Attachments B and C provide the individual 2024 and 2025 investment "Hurdle Sheet," respectively, prepared by the managing company (Talon) for each investment in 2024 and 2025.

<sup>4</sup> The Colstrip Materials and Supplies Inventory (FERC Account 154.400) and Colstrip Fuel Stock Coal Inventory (FERC Account 1541120) balances were inadvertently included in base rates within Washington electric Working Capital, rather than removed from base rates and alternatively included in Colstrip Tariff Schedule 99 with the effective date of Schedule 99 on December 21, 2023. Furthermore, these inventory balances were included in Washington electric Working Capital in the Company's current general rate case UE-240006 on an AMA basis as of June 30, 2024. If this Commission approves the Two-Year Rate Plan as proposed by the Company through December 2026 in Docket UE-22006, the Company will credit customers within the Colstrip Tariff Schedule 99, effective January 1, 2026, the same return amount on these inventory balances included in base rates of approximately \$270,000, so as to result in a net \$0 impact in 2026.

The Company requests the Commission allow the Company to move these Inventory Balances to a Colstrip Regulatory Asset (FERC 182), with no carrying charge, effective January 1, 2025, and amortize this Colstrip Regulatory Asset over one-year (using FERC Account 407).

As shown within the accompanying workpapers, the net overall revenue requirement effective January 1, 2025 totals \$42.6 million.<sup>5</sup> This reflects an overall increase in net costs (revenue requirement) calculated for Colstrip costs for calendar 2025 versus that currently approved per the existing Colstrip Tariff Schedule 99 for calendar 2024, of \$18.2 million, or 2.7 percent. Below, Table 1 illustrates the impact by rate schedule:

**Table 1 - Impact by Rate Schedule**

Schedule No.	Rate Schedule	Change in Billed Revenue
1/7/8	Residential	4.0%
11/12/13/17/18	General Service Schedule	1.4%
21/22/23	Large General Service Schedule	1.7%
25	Ext. Lg General Service Schedule	0.6%
25I	Special Contract	1.0%
31/32	Pumping Service Schedule	5.2%
41-48	Street and Area Lights	4.8%
<b>Overall</b>		<b>2.7%</b>

Enclosed is a set of workpapers which shows the derivation of the proposed per kilowatt-hour rate credit proposed to be effective for a twelve-month period beginning January 1, 2025.

The average residential customer using 945 kWhs per month will see an increase of \$4.47 per month, or approximately 4.1%. The present bill for 945 kWhs is \$109.58 while the proposed bill is \$114.05. The actual bill change will vary based on customer usage.

In accordance with the requirements of WAC 480-100-103, attached to this filing is a draft notice to customers, which the Company will provide through a bill insert, during the November 2024 bill cycle.

The Company requests the Commission approve the proposed Colstrip Tariff Schedule 99 included with the Company’s filing, reflecting a change in language that this tariff will be in effect from January 1, 2025 through December 31, 2025. The monthly rate by individual rate schedules is provided in the proposed Colstrip Tariff attached.

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

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<sup>5</sup> As detailed in Docket UE-220053, Exh. JT-3T, Pg 5, Ln 7 “For purposes of the Company’s Decoupling mechanism, the costs included in Schedule 99 will continue to be included in the Decoupling base and calculations.” To effectuate the update of the decoupling base for the Schedule 99 Colstrip related costs the Company will include the approved costs in its final general rate case compliance filing in Docket UE-240006 to align with the update of the Decoupling base for the base rate change. Should the Colstrip rates not yet be approved at the time the Company makes its general rate case compliance filing the Company will supplement that compliance filing once Colstrip rates for Schedule 99 have been approved.

Sincerely,

*Elizabeth Andrews*

Elizabeth Andrews  
Sr. Manager, Revenue Requirements

Enclosures

**Important Notice for Washington  
Electric Customers  
November 2024**

On October 31, 2024, Avista filed a rate request with the Washington Utilities and Transportation Commission (Commission) to increase electric rates to qualifying customers effective January 1, 2025. The request reflects a rate adjustment to recover costs related to the Company's investment in the Colstrip generation facility.

Per prior Commission Order, Avista is required to track and recover all costs related to its investment in the Colstrip generating units through rate schedule 99 in order to facilitate the removal of all Colstrip-related costs from customer rates by January 1, 2026, as required by law. The Colstrip-related costs in 2025 reflects a balance of \$42.6 million, which is an increase of \$18.2 million from the current balance in customers rates today. The Company's filing seeks to recover that balance from customers effective January 1, 2025 over a 12 month period.

The net overall rate impact to customers is an increase of 2.7 percent. The proposed rate increase by schedule is shown below:

**Proposed Rate Change by Schedule:**

Schedule No.	Rate Schedule	Change in Billed Revenue
1/7/8	Residential	4.0%
11/12/13/17/18	General Service Schedule	1.4%
21/22/23	Large General Service Schedule	1.7%
25	Ext. Lg General Service Schedule	0.6%
25I	Special Contract	1.0%
31/32	Pumping Service Schedule	5.2%
41-48	Street and Area Lights	4.8%
<b>Overall</b>		<b>2.7%</b>

The percentage change for electric customers varies by rate schedule and depends on how much energy a customer uses. An average residential customer using 945 kWhs per month will see an increase of \$4.47 per month, or approximately 4.1%. The present bill for 945 kWhs is \$109.58 while the proposed bill is \$114.05. The actual change will vary based on customer usage. If approved, customers would see the following rate adjustments:

**Proposed Schedule 1 Residential Rates:**

Electric Service	Current Billing Rate	Proposed Change	Proposed Billing Rate
Basic Charge	\$ 9.00	\$ -	\$ 9.00
First 800 kWh/Month	\$ 0.10400	\$ 0.00473	\$ 0.10873
Next 700 kWh/Month	\$ 0.11986	\$ 0.00473	\$ 0.12459
Over 1.500 kWh/Month	\$ 0.13939	\$ 0.00473	\$ 0.14412

The Company's request is a proposal, subject to public review and a Commission decision. The Commission has the authority to set final rates that may vary from the utility's request, which may be either higher or lower depending on the results of the investigation. You may contact the UTC to inquire about the Commission process, or to be notified about the scheduled open meetings at which the proposal will be considered. The WUTC is committed to providing reasonable accommodations for participants with disabilities. If you need reasonable accommodations to participate in this open meeting (or public comment hearing, workshop, etc.) please contact the Commission at 888-333-9882 or email at [Consumer@utc.wa.gov](mailto:Consumer@utc.wa.gov). You can contact the Commission to comment on Avista's rate proposals via email at [comments@utc.wa.gov](mailto:comments@utc.wa.gov), by telephone at 1-888-333-WUTC (9882), via letter at: UTC, P.O. Box 47250, Olympia, WA 98504-7250, or online at: [www.utc.wa.gov](http://www.utc.wa.gov). Copies of the applications are available for public review on the Commission website.

Avista offers a number of programs and services to help customers manage their energy use and costs. Visit [www.myavista.com](http://www.myavista.com) or call 1-800-227-9187 for information on these programs which include Comfort Level Billing, bill payment options, automated payment service, assistance programs such as My Energy Discount, conservation tips, and energy efficiency rebates. Copies of our filings are available for public review at [www.myavista.com/rates](http://www.myavista.com/rates) or on the Commission website at [www.utc.wa.gov](http://www.utc.wa.gov). You can also submit written questions directly to the Company via mail at: 1411 E Mission Ave, C/O Regulatory Affairs, Spokane, WA 99202.

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AVISTA CORPORATION  
d/b/a Avista Utilities

SCHEDULE 99

COLSTRIP TRACKER - WASHINGTON

APPLICABLE:

To Customers in the State of Washington where the Company has electric service available. This rate shall be applicable to all retail customers for charges for electric energy sold and to the flat rate charges for Company-owned or Customer-owned Street Lighting and Area Lighting Service.

This rate is designed to recover Avista's Units 3 and 4 costs (exclusive of transmission investment and those costs included in the Energy Recovery Mechanism), including operating and maintenance and other expenses, depreciation expense, decommissioning and remediation costs, and return on rate base.

MONTHLY RATE:

The charges of the individual rate schedules are to be increased by the following amounts:

Schedule 1 & 2	\$0.01127 per kWh	(I)
Schedule 11, 12 & 13	\$0.00539 per kWh	
Schedule 21, 22 & 23	\$0.00458 per kWh	
Schedule 25	\$0.00147 per kWh	
Special Contact	\$0.00113 per kWh	
Schedule 31 & 32	\$0.01192 per kWh	
Schedules 41-48	\$0.04954 per kWh	(I)

TERM:

Before November 1, every year, the Company will file to adjust rates to reflect the remaining investment in Colstrip with an effective date of January 1. The above rates will be in effect from January 1, 2025 through December 31, 2025.

SPECIAL TERMS AND CONDITIONS:

Service under this schedule is subject to the Rules and Regulations contained in this tariff.

The above Rate is subject to increases as set forth in Tax Adjustment Schedule 58.

Issued October 31, 2024

Effective January 1, 2025

Issued by Avista Utilities

By

Patrick Ehrbar,

Director of Regulatory Affairs



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