

1 **BEFORE THE PUBLIC UTILITY COMMISSION**
2 **OF OREGON**

3 UG 519

4 In the Matter of)
5)
6 AVISTA CORPORATION, dba AVISTA) SETTLEMENT STIPULATION
7 UTILITIES)
8)
9 Request for a General Rate Revision.)

10
11 This Settlement Stipulation (“Stipulation”) is entered into for the purpose of resolving all
12 issues in this Docket.

13 **PARTIES**

14 The Parties to this Stipulation are Avista Corporation (“Avista” or the “Company”), the
15 Staff of the Public Utility Commission of Oregon (“Staff”), the Oregon Citizens’ Utility Board
16 (“CUB”), Alliance of Western Energy Consumers (“AWEC”), and the joint intervenor Climate
17 Solutions/Green Energy Institute at Lewis & Clark Law School (“Environmental Intervenors”)
18 (collectively, “Parties”). These Parties represent all who intervened and appeared in this
19 proceeding.

20 **BACKGROUND**

21 1. On November 1, 2024, Avista filed revised tariff schedules to implement a general
22 rate increase for Oregon retail customers of \$7,822,000, or 6.6% of its annual revenues on a billed
23 basis. The filing was suspended by the Public Utility Commission of Oregon (“Commission”) on
24 November 1, 2024, per its Order No. 24-403.

25 2. Pursuant to Administrative Law Judge Sarah Spruce’s Prehearing Conference
26 Memorandum of December 4, 2024, Staff, CUB, AWEC, and Environmental Intervenors filed

1 Opening Testimony on March 4, 2025, in response to the Company’s original filing on November
2 1, 2024.

3 3. On March 12, 2025 and March 17, 2025, virtual settlement conferences were held.
4 All of the Parties participated in the settlement discussions.

5 4. As a result of the virtual settlement discussions, the Parties agree to settle all issues
6 in this Docket, including all adjustments to revenue requirement, rate spread and rate design issues,
7 Aldyl-A pipe, non-pipe alternatives (NPA), billing determinants, multi-family, low-income issues,
8 capital attestation, and customer tax credits, based on the following terms, subject to the approval
9 of the Commission.

10 **TERMS OF SETTLEMENT STIPULATION**

11 **5. Adjustments to Filed Revenue Requirement:**

12 The Parties support reducing Avista’s requested revenue requirement to reflect the
13 adjustments discussed below. The adjustments reached in this Stipulation through negotiation,
14 which resolve all issues, amount to a total reduction in Avista’s revenue requirement increase
15 request from \$7.822 million to a base revenue increase of \$4.195 million. The Parties support the
16 adjustments to Avista’s revenue requirement request, as shown in Table No. 1 below:

Table No. 1 – Summary of Adjustments to Revenue Requirement and Rate Base

SUMMARY OF ADJUSTMENTS TO REVENUE REQUIREMENT AND RATE BASE		
(\$000s of Dollars)		
	Revenue Requirement	Rate Base
	\$7,822	\$389,378
Settlement Stipulation Adjustments:		
a Cost of Capital Adjusts return on equity to 9.50%, long-term debt cost to 4.938%, with a common stock equity component of 50%, and overall Cost of Capital of 7.219%.	(2,424)	
b Interest Synchronization This adjustment rounds cost of capital to 3 decimal places.	(5)	
c Property Taxes This adjustment is related to a reduction in property tax expense.	(75)	
d Cost Allocations Removes certain expenses that were directly assigned to Oregon.	(81)	
e Working Capital Restate level of working capital rate base and related expense.	(9)	(98)
f Rate Base Related Expenses This adjustment is a reduction to capital related expense. The Parties agree to the net plant/rate base as filed by the Company.	(400)	
g Wages & Salaries This adjustment is related to reductions associated with the Company’s overall increases for payroll, overtime, and associated payroll taxes.	(54)	
h Insurance Expense This adjustment decreases expense to reflect expected insurance expense for the Test Year and reflects a sharing of 50/50 between shareholders and rate payers related to Oregon-allocated D&O insurance.	(227)	
i Membership & Dues This adjustment removes certain AGA-NWGA expenses from the case.	(89)	
j Discretionary Expenses - O&M Non-Labor This adjustments removes a percentage of certain non-labor expenses determined by Staff to be discretionary in nature.	(77)	
k Underground Storage Expense This adjustment decreases Underground Storage O&M Expense to reflect a three year average of actual expense, escalated by CPI.	(8)	
l Oregon Corporate Activity Tax (CAT) Expense This adjustment increases expense to reflect expected CAT expense in the Test Year.	101	
m FERC Account 923 - Base Year Expenses (legal fees) This adjustment removes certain litigation costs related to the Climate Protection Program.	(83)	
n Misc. A&G and O&M Non-Labor Expenses This adjustment is related to a reduction in miscellaneous A&G and O&M Non-Labor expenses.	(44)	
o Misc. Other Expense Reduction This adjustment is related to transportation depreciation, Board of Director fees, and rate case expenses.	(152)	
Total Adjustments:	(\$3,627)	(\$98)
Adjusted Base Revenue Requirement & Rate Base after Settlement Stipulation:	\$4,195	\$389,280

1 The following information provides an explanation for each of the adjustments in
2 Table No. 1 above. The numbers in parenthesis below represent the agreed-upon increase or
3 decrease in revenue requirement associated with the item.

- 4 a) Rate of Return (ROR) (-\$2,424,000): This adjustment reduces Avista’s requested Cost
5 of Capital to an overall Cost of Capital equal to 7.219 percent based on the following
6 components: a Capital Structure consisting of 50 percent Common Stock Equity and
7 50 percent Long-Term Debt, Return on Equity (ROE) of 9.50 percent, and a Long-
8 Term Debt cost of 4.938 percent. This combination of Capital Structure and Capital
9 Costs is shown in Table No. 2 below.

10 **Table No. 2 – Agreed-Upon Cost of Capital**

AGREED-UPON COST OF CAPITAL			
	Capital Structure	Cost	Weighted Cost
Cost of Long-Term (LT) Debt	50.00%	4.938%	2.469%
Return on Common Equity (ROE)	50.00%	9.500%	4.750%
Total	100.00%		7.219%

- 15 b) Interest Synchronization/Coordination (-\$5,000): Staff proposed an adjustment to
16 round cost of debt to three decimal places. For settlement purposes, the Parties agree
17 to the adjustment reducing the proposed revenue requirement by \$5,000.
- 18 c) Property Tax Expense (-\$75,000): Staff proposed an adjustment to reduce property tax
19 expense in the Test Year.¹ For settlement purposes, the Parties agree to remove an
20 agreed-upon level of expense, thereby reducing the proposed revenue requirement by
21 \$75,000.

¹ In this case, “Test Year” is defined as the twelve months ending August 31, 2026.

- 1 d) Cost Allocations (-\$81,000): Staff proposed an adjustment to remove costs assigned
2 directly or allocated to Oregon. For settlement purposes, the Parties agree to remove an
3 agreed-upon level of expense, thereby reducing the proposed revenue requirement by
4 \$81,000.
- 5 e) Working Capital (-\$9,000): Staff and AWEC proposed adjustments to reduce the level
6 of working capital rate base and related expense. For settlement purposes, the Parties
7 agree to accept the adjustment amounts proposed by Staff, reducing the proposed
8 revenue requirement by \$9,000 and rate base by \$98,000.
- 9 f) Rate Base Related Expenses (-\$400,000): Staff and AWEC proposed using different
10 methodologies to calculate Test Year Rate Base, resulting in proposed adjustments to
11 reduce Test Year Rate Base. For settlement purposes, the Parties agree to an adjustment
12 reducing revenue requirement by \$400,000. Additionally, in its next general rate case
13 filing, the Company agrees to utilize either the most recent Commission-adopted
14 methodology, or methodology set-forth by statute or rule.
- 15 g) Wages and Salaries (-\$54,000): Staff and AWEC proposed adjustments to reduce the
16 Company's overall increases for payroll, overtime, and associated payroll taxes in the
17 Test Year. For settlement purposes, the Parties agree to remove an agreed-upon level
18 of expense, thereby reducing the proposed revenue requirement by \$54,000.
- 19 h) Insurance Expense (-\$227,000): Staff proposed an adjustment to reduce the level of
20 insurance expense in the Test Year to reflect expected Test Year insurance expense as
21 provided by the Company and a sharing of 50/50 between shareholders and ratepayers
22 related to Oregon-allocated D&O insurance. For settlement purposes, the Parties agree
23 to a reduction in the revenue requirement of \$227,000.

- 1 i) Membership and Dues (-\$89,000): Staff and Environmental Intervenors proposed
2 adjustments to remove certain membership and dues expenses related to AGA and
3 NWGA from the Test Year. For settlement purposes, the parties agree to reduce
4 revenue requirement for those expenses by \$89,000.
- 5 j) Discretionary O&M Non-Labor Expenses (-\$77,000): Staff proposed to remove certain
6 expenses related to meals and entertainment, and miscellaneous O&M expenses. For
7 settlement purposes, the Parties agree to reduce the revenue requirement by \$77,000.
- 8 k) Underground Storage Expenses (-\$8,000): Staff proposed an adjustment to decrease
9 the level of Underground Storage expenses to reflect a three-year average of historical
10 actuals (2021 – 2023), escalated by the forecasted consumer price index. For settlement
11 purposes, the Parties agree to reduce the revenue requirement by \$8,000.
- 12 l) Oregon Corporate Activity Tax (CAT) Expense (\$101,000): In testimony, Staff
13 supported an increase in Test Year Oregon Corporate Activity Tax expense, as
14 provided by the Company. For settlement purposes, the Parties agree to an increase in
15 the proposed revenue requirement of \$101,000.
- 16 m) FERC Account 923 – Base Year Expenses (legal fees) (-\$83,000): AWEC and
17 Environmental Intervenors proposed a reduction in certain legal expenses for Avista’s
18 challenges to Oregon’s Climate Protection Program. For settlement purposes, the
19 Parties agree to a reduction in the proposed revenue requirement of \$83,000.
- 20 n) Miscellaneous A&G and O&M Non-Labor Expenses (-\$44,000): Staff and AWEC
21 proposed a reduction to miscellaneous administrative and general (A&G) and operation
22 and maintenance (O&M) expenses. For settlement purposes, the Parties agree to a
23 reduction in the proposed revenue requirement of \$44,000.

o) Miscellaneous Other Expense Reduction (-\$152,000): AWEC proposed a reduction related to transportation depreciation, Board of Director fees, and rate case expenses. For settlement purposes, the Parties agree to a reduction in the proposed revenue requirement of \$152,000.

6. **Effective Date:** The rate effective date is September 1, 2025.

7. **Rate Spread:** The Parties agree that the rate spread will be applied on percentage of the overall base margin as shown in Table No. 3 below (and as provided on page 1 of Attachment A to this Stipulation):²

Table No. 3: Agreed-Upon Rate Spread

Type of Service	Schedule Number	Distribution Revenue Increase	Distribution Revenue Percentage Increase	Incremental Tax Customer Credit	Total Billed Revenue Increase	Total Billed Revenue Percentage Increase
Single-Family Residential	410	\$2,651	5.1%	(\$1,163)	\$1,488	2.0%
Multi-Family Residential	411	\$32	1.7%	(\$49)	-\$17	-0.7%
General Service	420	\$1,315	5.4%	(\$379)	\$936	2.5%
Large General Service	424/425	\$42	5.0%	(\$11)	\$30	1.2%
Interruptible Service	439/440	\$74	3.1%	(\$31)	\$43	0.7%
Seasonal Service	444	\$1	3.7%	(\$0)	\$1	0.8%
Transportation Service	456	\$80	3.1%	(\$33)	\$47	1.6%
Total		\$4,195	5.0%	(\$1,667)	\$2,528	2.0%

* Billed Revenue includes base rate revenue plus revenues associated with natural gas supply, energy efficiency, intervenor funding, and other items.

8. **Rate Design:** The Parties agree that the Basic Charge levels for Schedules 410 and 411 will remain at current levels. The Basic Charge level for Schedule 456 will increase from \$325 to \$380 per month. All other Basic Charge levels will be as proposed by Avista in its original

² For settlement purposes, Parties agree to use the billing determinants as described in Section 11 below.

1 filing.³

2 9. **Aldyl-A Pipe:**

3 a. Avista agrees to complete a study of its Aldyl-A pipeline replacement program to
4 determine if and where capping, or pruning,⁴ of its system may be an option for a
5 targeted voluntary electrification (TVE) pilot as a cost effective alternative to Aldyl-A
6 pipeline replacement. Avista will discuss the scope, communication, and evaluation of
7 the study with the Parties from this rate case. The study shall include a cost benefit
8 analysis that takes into consideration, at a minimum, the avoided costs of the Aldyl-A
9 pipeline replacement program and CPP emissions compliance. Avista will file the study
10 in this Docket within 9 months of the rate effective date of this rate case.

11 b. Avista agrees to implement a TVE pilot based on the study required in part a. above,
12 with the following criteria:

- 13 i. Avista will engage its Equity Advisory Group to discuss equity considerations
14 and design of the TVE pilot, including outreach to, and participation of, low-
15 income customers.
- 16 ii. Avista will coordinate with the Implementing Organizations of its Avista
17 Oregon Low Income Energy Efficiency (AOLIEE) Program to determine how
18 AOLIEE and the TVE pilot can work together to provide the greatest potential
19 benefit to income-qualified TVE pilot participants.
- 20 iii. Avista will work with the Parties from this rate case to develop the scope, cost,
21 and evaluation plan of the TVE pilot prior to filing the tariff to implement the
22 pilot.
- 23 iv. A programmatic tariff to implement the TVE pilot must be filed with the
24 Commission no later than September 1, 2026, for an effective date of January
25 1, 2027.
- 26 v. The duration of the TVE pilot will be for at least two years.
- 27 vi. Avista will create a regulatory asset to defer all costs associated with
28 implementing the TVE pilot. Interest will accrue on the unamortized balance at
29 the Company's approved rate of return authorized in this case. Avista will

³ Schedule 420 would see a \$3 per month increase in the customer charge, from \$19 per month to \$22 per month. Schedules 424/425 would see a \$15 per month increase in the customer charge, from \$60 per month to \$75 per month. Finally, Schedule 439/440 would see a \$50 per month increase in the customer charge, from \$75 per month to \$125 per month.

⁴ Capping or pruning is intended to mean identifying sections of the natural gas system that may be decommissioned or removed.

1 amortize the regulatory asset including interest at the modified blended treasury
2 rate, after the conclusion of the TVE pilot.

- 3 vii. Avista will file an annual evaluation report within 3 months of the conclusion
4 of Year 1 of the TVE pilot and a final evaluation report within 3 months of the
5 conclusion of the pilot.
6

7 **10. Non-Pipe Alternatives (NPA):**

8 a. Avista agrees to reduce the current threshold of \$1 million for individual projects or
9 groups of projects for when an NPA analysis is required as defined by past relevant
10 Commission Orders and Stipulations,⁵ to \$500,000 for individual projects or groups of
11 projects.

12 b. In addition to the Aldyl-A study and TVE pilot discussed above, Avista agrees to
13 complete an NPA analysis on two capital projects regardless of whether the projects
14 exceed the \$500,000 threshold. Avista will complete the NPA analyses within 12
15 months of the rate effective date of this rate case. Avista will submit a compliance filing
16 in this docket with the results of the NPA analyses. If an NPA is cost-effective for either
17 project analyzed, Avista must invest in the NPA and propose how it will recover the
18 costs of the NPA within the compliance filing.

19 c. If Avista launches a plan to systemically replace service pipes, the Company will
20 include an NPA analysis to determine whether the pipeline replacement is cost-
21 effective.

22 **11. Billing Determinants:** Parties agree that the billing determinants are those provided
23 in Staff Testimony workpapers (Stevens 1300) for Rate Schedule 411 with an equal increase in
24 billing determinants applied to Rate Schedule 410, the net effect of which would result in no
25 revenue adjustment.

⁵ Docket UG-461, Order No 23-384, provision 21, and Docket LC-81, Order No. 24-156.

1 12. **Multi-Family**: Avista commits to additional outreach to identify additional multi-
2 family customers as specifically identified in CUB testimony. Any customers identified as multi-
3 family will be moved to rate Schedule 411 immediately. The Parties agree to continue the multi-
4 family deferral to ensure that the movement of additional existing customers to rate Schedule 411
5 will be revenue neutral to the Company. Avista will file an update 6 months after the conclusion
6 of this case discussing the number of customers and other relevant data for those moved to
7 Schedule 411.

8 13. **Long Run Incremental Cost Study (LRIC)**: No Party agrees or adopts the LRIC
9 methodologies proposed by any party in this proceeding.

10 14. **Low-Income Issues**:

11 a. Avista Oregon Low-Income Energy Efficiency (AOLIEE) Program

12 i. Avista agrees to discuss with its Equity Advisory Group (EAG) and
13 Implementing Organizations the 20% health, safety, and repair (HSR)
14 expenditures cap. If the discussions result in the conclusion that the cap should
15 be increased or eliminated, Avista will revise its AOLIEE tariff to effectuate
16 such changes.

17 ii. Avista will continue to discuss with its EAG and Implementing Organizations
18 how all available AOLIEE funding may be spent. If available funding is not
19 fully spent, Avista's annual AOLIEE report will explain any barriers that
20 prevented the funding from being spent and plans for how to overcome those
21 barriers.

22 b. Low-Income Needs Assessment (LINA)/Energy Burden Assessment (EBA)

23 i. Avista agrees to contract an independent 3rd-party to complete a new
24 LINA/EBA published in 2026. Prior to beginning the LINA/EBA, Avista will
25 consult with the UM 2211 stakeholder group regarding the scope of the
26 LINA/EBA. Costs for the LINA/EBA will be recovered through allocations in
27 both the Company's Low Income Rate Assistance Program (LIRAP) and
28 AOLIEE tariff riders.

29 c. Arrearage Management Program (AMP)

30 i. Avista Agrees to establish a process to alert AMP participants of a first missed
31 payment more immediately.

32 ii. Avista agrees to develop a survey for AMP participants (or include questions
33 within its existing annual customer survey) regarding reasons why customers
34 are unable to meet AMP payment requirements.

35 d. Any agreements in this settlement do not bar any further discussions on these issues
36 in other dockets.

1 15. **Capital Attestation:** Parties agree that Avista will file a capital attestation, which
2 would take the form of that provided in Avista’s last GRC (UG-461), however any distinct non-
3 programmatic projects over \$1 million would be individually attested to. Avista would file its
4 attestation ten days before the rate effective date to reflect actual gross transfers-to-plant available
5 at time of filing. To the extent that gross transfers-to-plant available, prior to the rate effective date,
6 are less than that included in the revenue requirement, in aggregate, Avista would reduce the
7 overall revenue requirement to reflect a lower level of plant in service. Because the revenue
8 requirement is predicated on a level of plant in service as of August 31, 2025, yet the attestation
9 pre-dates that date, the Company may review the actual incremental gross transfers-to-plant
10 through August 31, 2025, and defer the incremental revenue requirement associated with those
11 plant additions up to the level of gross plant additions included in the settlement agreement. Any
12 deferred revenue requirement would be recovered as a separate filing made during the annual PGA
13 and summer rate adjustment filing season, with the balance to accrue at the modified blended
14 Treasury rate plus 100 basis points.

15 16. **Customer Tax Credits:** Parties agree to return to customers an additional \$5.0
16 million customer credit amortization related to IDD #5 and Meters beginning September 1, 2025.
17 Page 3 of Attachment A to the Stipulation provides the updated amortization rates.

- 18 i. With its Compliance filing in this case, Avista will file a new tariff, Schedule 488,
19 to amortize Oregon’s tax credit balance of \$5.0 million over a 3-year amortization
20 period (September 1, 2025 through August 31, 2028, or 36 months).
- 21 ii. Avista will continue to spread this tax customer credit as approved in UG- 433 and
22 UG-461, based on a weighted allocation of 35 percent number of customers and
23 65 percent distribution margin.

24 17. **Decoupling:** Attachment B to the Stipulation reflects the new decoupling base
25 effective September 1, 2025, that is supported by the Parties. The new decoupling base provides

1 the “Monthly Allowed Customers” and “Monthly Decoupled Revenue per Customer” which
2 incorporate the effects of the settlement revenue requirement and billing determinants discussed
3 above.

4 18. **Pro Formed Regulatory Amortizations:** Parties agree to the terms regarding the
5 Pro Formed Regulatory Amortizations as included in the Company’s initial filing, Avista/500 at
6 Garbarino/34-36. Without Commission authorization, the Company would be unable to amortize
7 or depreciate these balances.

8 19. **Residential Bill Change:** For the revenue requirement included in this Stipulation,
9 based on an average usage level of 48 therms per month, the average bill for a Schedule 410
10 residential customer, which includes both base and adder schedules⁶, would increase \$1.36 per
11 month, or 2.0 percent, from \$69.55 to \$70.91.

12 20. **Conclusion:** The Parties agree that this Stipulation is in the public interest and results
13 in an overall fair, just and reasonable outcome.

14 21. The Parties agree that this Stipulation represents a compromise in the positions of the
15 Parties. Without the written consent of all Parties, evidence of conduct or statements, including
16 but not limited to term sheets or other documents created solely for use in settlement conferences
17 in this Docket, are not admissible in the instant or any subsequent proceeding unless independently
18 discoverable or offered for other purposes allowed under ORS 40.190. Nothing in this paragraph
19 precludes a party from stating as a factual matter what the Parties agreed to in this Stipulation or
20 in the Parties’ testimony supporting the stipulation.

⁶ “Adder” schedules recover costs associated with natural gas supply (Schedules 461 and 462), energy efficiency (Schedules 469 and 478), intervenor funding (Schedule 476), and other items.

1 22. Further, this Stipulation sets forth the entire agreement between the Parties and
2 supersedes any and all prior communications, understandings, or agreements, oral or written,
3 between the Parties pertaining to the subject matter of this Stipulation.

4 23. This Stipulation will be offered into the record in this proceeding as evidence
5 pursuant to OAR 860-001-0350(7). The Parties agree to support this Stipulation throughout this
6 proceeding and any appeal. The Parties further agree to provide witnesses to sponsor the
7 Stipulation at any hearing held, or, in a Party's discretion, to provide a representative at the hearing
8 authorized to respond to the Commission's questions on the Party's position as may be appropriate.

9 24. If this Stipulation is challenged by any other party to this proceeding, the Parties to
10 this Stipulation reserve the right to cross-examine witnesses and put on such case as they deem
11 appropriate to respond fully to the issues presented, including the right to raise issues that are
12 incorporated in the settlement embodied in this Stipulation. Notwithstanding this reservation of
13 rights, the Parties agree that they will continue to support the Commission's adoption of the terms
14 of this Stipulation.

15 25. The Parties have negotiated this Stipulation as an integrated document. If the
16 Commission rejects all or any material portion of this Stipulation, or imposes additional material
17 conditions in approving this Stipulation, any Party disadvantaged by such action shall have the
18 rights provided in OAR 860-001-0350(9) and shall be entitled to seek reconsideration or appeal of
19 the Commission's Order.

20 26. By entering into this Stipulation, no Party shall be deemed to have approved,
21 admitted, or consented to the facts, principles, methods, or theories employed by any other Party
22 in arriving at the terms of this Stipulation. No Party shall be deemed to have agreed that any
23 provision of this Stipulation is appropriate for resolving the issues in any other proceeding.

1 27. This Stipulation may be executed in counterparts and each signed counterpart shall
2 constitute an original document. The Parties further agree that any electronically-generated
3 signature of a Party is valid and binding to the same extent as an original signature.

4 28. This Stipulation may not be modified or amended except by written agreement among
5 all Parties who have executed it.

6 29. This stipulation does not create any presumptions about prudence or the
7 reasonableness of cost recovery.

8 This Stipulation is entered into by each Party on the date entered below such Party's
9 signature.

10 AVISTA CORPORATION

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON

11
12
13 By: /s/ David J. Meyer
14 David J. Meyer

By: /s/ Stephanie Andrus
Stephanie Andrus

15
16 Date: 3/27/2025

Date: 3/27/2025

17
18
19 ALLIANCE OF WESTERN ENERGY
20 CONSUMERS

OREGON CITIZENS' UTILITY BOARD


21
22 By: _____
23 Chad M. Stokes

By: /s/ Claire Valentine-Fossum
Claire Valentine-Fossum

24
25 Date: _____

Date: 3/27/2025

26
27
28 GREEN ENERGY INSTITUTE /
29 CLIMATE SOLUTIONS

30
31 By: 
32 Alex Houston

33
34 Date: 3/27/2025

1 27. This Stipulation may be executed in counterparts and each signed counterpart shall
2 constitute an original document. The Parties further agree that any electronically-generated
3 signature of a Party is valid and binding to the same extent as an original signature.


4 28. This Stipulation may not be modified or amended except by written agreement among
5 all Parties who have executed it.

6 29. This stipulation does not create any presumptions about prudence or the
7 reasonableness of cost recovery.

8 This Stipulation is entered into by each Party on the date entered below such Party's
9 signature.

10 AVISTA CORPORATION
11
12
13 By: _____
14 David J. Meyer
15
16 Date: _____
17

STAFF OF THE PUBLIC UTILITY
COMMISSION OF OREGON
By: _____
Stephanie Andrus
Date: _____

18
19 ALLIANCE OF WESTERN ENERGY
20 CONSUMERS
21
22 By:  _____
23 Chad M. Stokes
24
25 Date: 3/25/25
26

OREGON CITIZENS' UTILITY BOARD
By: _____
Claire Valentine-Fossum
Date: _____

27
28 GREEN ENERGY INSTITUTE /
29 CLIMATE SOLUTIONS
30
31 By: _____
32 Alex Houston
33
34 Date: _____
35

Avista Utilities
Proposed Revenue Increase by Schedule
Oregon - Gas
Pro Forma 12 Months Ended December 31, 2024
(000s of Dollars)

Line No.	Type of Service	Schedule Number	Distribution Revenue Under Present Rates	Proposed GRC Increase	Distribution Revenue Under Proposed Rates	Therms (000s)	Distribution Revenue Percentage Increase	Billed Revenue Under Present Rates	Proposed GRC Increase	Schedule 488 Tax Credit	Billed Revenue Under Proposed Rates	Billed Revenue Percentage Increase
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)		(j)	(k)
1	Single-Family Residential	410	\$52,500	\$2,651	\$55,151	52,532	5.1%	\$76,067	\$2,651	(\$1,163)	\$77,555	2.0%
2	Multi-Family Residential	411	\$1,841	\$32	\$1,873	1,688	1.7%	\$2,599	\$32	(\$49)	\$2,582	-0.7%
3	General Service	420	\$24,570	\$1,315	\$25,885	30,135	5.4%	\$36,905	\$1,315	(\$379)	\$37,841	2.5%
4	Large General Service	424	\$842	\$42	\$884	5,439	5.0%	\$2,609	\$42	(\$11)	\$2,639	1.2%
5	Interruptible Service	440	\$2,369	\$74	\$2,443	20,101	3.1%	\$5,895	\$74	(\$31)	\$5,938	0.7%
6	Seasonal Service	444	\$31	\$1	\$32	175	3.7%	\$88	\$1	(\$0)	\$89	0.8%
7	Transportation Service	456	\$2,550	\$80	\$2,630	29,838	3.1%	\$2,844	\$80	(\$33)	\$2,891	1.6%
8	Total		\$84,703	\$4,195	\$88,898	139,908	5.0%	\$127,006	\$4,195	(\$1,667)	\$129,534	2.0%

Avista Utilities
Comparison of Present & Proposed Gas Rates
Oregon - Gas

<u>Present Base Rates</u>	<u>Base Tariff Change</u>	<u>Proposed Base Rates</u>
Residential Service Schedule 410		
\$11.25 Customer Charge	\$0.00/month	\$11.25 Customer Charge
All Therms - \$0.76603/Therm	\$0.05047/therm	All Therms - \$0.81650/Therm
Multi-family Residential Service Schedule 411		
\$9.75 Customer Charge	\$0.00/month	\$9.75 Customer Charge
All Therms - \$0.76603/Therm	\$0.01891/therm	All Therms - \$0.78494/Therm
General Service Schedule 420		
\$19.00 Customer Charge	\$3.00/month	\$22.00 Customer Charge
All Therms - \$0.72455/Therm	\$0.02931/therm	All Therms - \$0.75386/Therm
Large General Service Schedule 424/425		
\$60.00 Customer Charge	\$15.00/month	\$75.00 Customer Charge
All Therms - \$0.14174/Therm	\$0.00440/therm	All Therms - \$0.14614/Therm
Interruptible Service Schedule 439/440		
\$75.00 Customer Charge	\$50.00/month	\$125.00 Customer Charge
All Therms - \$0.11578/Therm	\$0.00229/therm	All Therms - \$0.11807/Therm
Seasonal Service Schedule 444		
All Therms - \$0.17403/Therm	\$0.00646/therm	All Therms - \$0.18049/Therm
Seasonal Minimum Charge:		Seasonal Minimum Charge:
\$ 5,894.92		\$ 6,113.74
Transportation Service Schedule 456		
\$325.00 Customer Charge	\$55.00/month	\$380.00 Customer Charge
1st 10,000 Therms - \$0.15980/Therm	\$0.00392/therm	1st 10,000 Therms - \$0.16372/Therm
Next 20,000 Therms - \$0.09617/Therm	\$0.00236/therm	Next 20,000 Therms - \$0.09853/Therm
Next 20,000 Therms - \$0.07904/Therm	\$0.00194/therm	Next 20,000 Therms - \$0.08098/Therm
Next 200,000 Therms - \$0.06187/Therm	\$0.00152/therm	Next 200,000 Therms - \$0.06339/Therm
Over 250,000 Therms - \$0.03139/Therm	\$0.00077/therm	Over 250,000 Therms - \$0.03216/Therm
<u>Schedule 456 Monthly Minimum Charge</u>		<u>Schedule 456 Monthly Minimum Charge</u>
\$ 2,764.44		\$ 3,314.35

**Avista Utilities
Tax Customer Credit
Schedule 488**

Line No.	Type of Service	Schedule Number	Distribution Revenue Under Present Rates	Annual Customers	Meters	IDD#5	Sch. 488 Tax Customer Credit Allocation	Billing Determinants	Proposed Per Therm Rate
					Customer Allocation	Percentage of Base Revenue			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
					35%	65%			
1	Residential - Single-Family	410	\$52,500	90,809	84.3%	62.0%	\$ 1,163	52,532,072	\$ 0.02215
3	Residential - Multi-Family	411	\$1,841	4,687	4.4%	2.2%	\$ 49	1,687,926	\$ 0.02900
4	General Service	420	\$24,570	11,996	11.1%	29.0%	\$ 379	30,135,310	\$ 0.01258
5	Large General Service	424/425	\$842	99	0.1%	1.0%	\$ 11	5,438,862	\$ 0.00208
6	Interruptible Service	439/440	\$2,369	46	0.0%	2.8%	\$ 31	20,101,002	\$ 0.00152
7	Seasonal Service	444	\$31	2	0.0%	0.0%	\$ 0	175,379	\$ 0.00228
8	Transportation Service	456	\$2,550	30	0.0%	3.0%	\$ 33	29,837,658	
9	1st 10,000 Therms								\$ 0.00219
10	Next 20,000 Therms								\$ 0.00132
11	Next 20,000 Therms								\$ 0.00108
10	Next 200,000 Therms								\$ 0.00085
11	Over 250,000 Therms								\$ 0.00041
12	Total		\$84,703	107,669			\$ 1,667		

Avista Utilities
Natural Gas Decoupling Mechanism (Oregon)
Development of Decoupled Revenue by Rate Schedule - Natural Gas
Docket No. UG-519 Rates Effective September 1, 2025

	TOTAL	RESIDENTIAL SCHEDULE 410	RESIDENTIAL MULTI-FAMILY SCHEDULE 411	SM COMMERCIAL & INDUSTRIAL SCH. 420	LG COMMERCIAL & INDUSTRIAL SCH. 424/425	INTERRUPTIBLE SCH 439/440	SEASONAL SCH 444	TRANSPORTATION SCH 456/447
1 Total Normalized Margin Revenue	\$ 84,703,000	\$ 52,500,000	\$ 1,841,000	\$ 24,570,000	\$ 842,000	\$ 2,369,000	\$ 31,000	\$ 2,550,000
2 Settlement Margin Revenue Increase	\$ 4,195,000	\$ 2,651,000	\$ 32,000	\$ 1,315,000	\$ 42,000	\$ 74,000	\$ 1,000	\$ 80,000
3 Total Delivery Revenue (Ln 1 + Ln 2)	\$ 88,898,000	\$ 55,151,000	\$ 1,873,000	\$ 25,885,000	\$ 884,000	\$ 2,443,000	\$ 32,000	\$ 2,630,000
4 Customer Bills	1,292,029	1,089,713	56,240	143,953	1,184	558	21	360
5 Proposed Basic Charges		\$11.25	\$9.75	\$22.00	\$75.00	\$125.00	\$0.00	\$380.00
6 Basic Charge Revenue (Ln 4 * Ln 5)	\$ 16,269,879	\$ 12,259,271	\$ 548,340	\$ 3,166,973	\$ 88,774	\$ 69,721	\$ -	\$ 136,800
7 Decoupled Revenue (Ln 6 - Ln 3)	\$ 72,628,121	\$ 42,891,729	\$ 1,324,660	\$ 22,718,027	\$ 795,226	\$ 2,373,279	\$ 32,000	\$ 2,493,200
8 Normalized Therms	139,908,208	52,532,072	1,687,926	30,135,310	5,438,862	20,101,002	175,379	29,837,658
9 Average Number of Customers (Line 8 / 12 mos.)		Residential 95,496		Non-Residential Group 12,143				Exempt from Decoupling Mechanism
10 Annual Therms		54,219,998		55,850,552				
11 Basic Charge Revenues	\$	12,807,611		\$ 3,325,468				
12 Customer Bills		1,145,953		145,716				
13 Average Basic Charge		\$11.18		\$22.82				

Avista Utilities
Natural Gas Decoupling Mechanism (Oregon)
Development of Decoupled Revenue Per Customer - Natural Gas
Docket No. UG-519 Rates Effective September 1, 2025

Line No.	Source	Residential*	Non-Residential Schedules**
	(a)	(c)	(d)
1	Decoupled Revenue	\$ 44,216,389	\$ 25,918,532
2	Test Year Number of Customers	95,496	12,143
3	Decoupled Revenue Per Customer	\$ 463.02	\$ 2,134.45

*Schedules 410 and 411

**Schedules 420, 424, 425, 439, 440, and 444

Avista Utilities
Natural Gas Decoupling Mechanism (Oregon)
Development of Monthly Decoupled Revenue Per Customer - Natural Gas
Docket No. UG-519 Rates Effective September 1, 2025

Line No.	Source	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	
1															
2	<u>Natural Gas Delivery Volume</u>														
3	<i>Residential*</i>														
4	- Weather-Normalized Therm Delivery Volume	Monthly Rate Year	9,162,890	7,238,342	6,244,030	4,303,465	2,515,217	1,541,813	1,171,069	1,246,028	1,369,056	3,304,922	6,869,888	9,253,280	54,219,998
5	- % of Annual Total	% of Total	16.90%	13.35%	11.52%	7.94%	4.64%	2.84%	2.16%	2.30%	2.53%	6.10%	12.67%	17.07%	100.00%
6															
7	<i>Non-Residential Sales**</i>														
8	- Weather-Normalized Therm Delivery Volume	Monthly Rate Year	7,196,789	6,065,685	5,359,081	4,164,218	2,986,761	2,485,047	2,436,417	2,850,984	2,919,142	4,855,666	6,879,319	7,651,441	55,850,552
9	- % of Annual Total	% of Total	12.89%	10.86%	9.60%	7.46%	5.35%	4.45%	4.36%	5.10%	5.23%	8.69%	12.32%	13.70%	100.00%
10															
11	<u>Monthly Decoupled Revenue Per Customer ("RPC")</u>														
12	<i>Residential</i>														
13	- Decoupled Revenue per Customer	Page 2 - Decoupled RPC													\$ 463.02
14	- Monthly Decoupled Revenue per Customer	(5) x (13)	\$ 78.25	\$ 61.81	\$ 53.32	\$ 36.75	\$ 21.48	\$ 13.17	\$ 10.00	\$ 10.64	\$ 11.69	\$ 28.22	\$ 58.67	\$ 79.02	\$ 463.02
15	- Monthly Allowed Customers		95,847	95,880	95,876	95,772	95,667	95,501	95,361	95,171	94,835	95,081	95,287	95,675	
16	<i>Non-Residential Sales*</i>														
17	- Decoupled Revenue per Customer	Page 2 - Decoupled RPC													\$ 2,134.45
18	- Monthly Decoupled Revenue per Customer	(9) x (17)	\$ 275.04	\$ 231.81	\$ 204.81	\$ 159.14	\$ 114.15	\$ 94.97	\$ 93.11	\$ 108.96	\$ 111.56	\$ 185.57	\$ 262.91	\$ 292.42	\$ 2,134.45
19	- Monthly Allowed Customers		12,184	12,195	12,189	12,172	12,163	12,157	12,122	12,110	12,082	12,087	12,098	12,156	
20	*Schedules 410 and 411.														
21	**Schedules 420, 424, 425, 439, 440, and 444.														