



January 28, 2021

Ms. Jan Noriyuki
Commission Secretary
11331 W. Chinden Blvd
Building 8, Suite 201-A
Boise, ID 83714

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IDAHO PUBLIC
UTILITIES COMMISSION

RE: Tariff I.P.U.C. No. 28 (Electric) and Tariff I.P.U.C. No. 27 (Natural Gas)
Case Nos. AVU-E-21-01 and AVU-G-21-01

Enclosed for filing with the Commission are an original and seven copies of an Application by Avista Corporation, dba Avista Utilities (Avista), dated January 28, 2021 for approval of revised electric and natural gas rates. Avista has also included for filing eight copies of its prepared direct testimony, and exhibits in support of its revised rates, as well as three copies of workpapers showing how test period data were adjusted. Finally, the court reporter copy is provided on a thumb drive with all documents in Word format.

Please note that certain workpapers of Clint G. Kalich and David Howell are being provided in electronic format only due to the voluminous nature of these files. Computer-readable copies of the testimony, exhibits, and workpapers, required under Rule 231.05, are included on the attached thumb drive.

Attached to the Application is the form of Customer Notice and form of Press Release to be issued by the Company. Additionally, Avista has included the Attorney's Certificate and Claim of Confidentiality Relating to Portions of Avista's Exhibits and Workpapers.

Please direct any questions related to the transmittal of this filing to Liz Andrews at 509-495- 8601.

Sincerely,

David Meyer
Vice President and Chief Counsel
for Regulatory & Governmental Affairs

Enclosures

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this 28th day of January, 2021, served the foregoing application, and Avista's Direct Testimony and Exhibits in Case Nos. AVU-E-21-01 and AVU-G-21-01, upon the following parties from the last general rate filing, by mailing a copy thereof, properly addressed with postage prepaid to:

Jan Noriyuki, Secretary
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/S/ Paul Kimball

Paul Kimball
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DAVID.MEYER@AVISTACORP.COM

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. AVU-E-21-01
OF AVISTA CORPORATION FOR THE)	CASE NO. AVU-G-21-01
AUTHORITY TO INCREASE ITS RATES)	
AND CHARGES FOR ELECTRIC AND)	
NATURAL GAS SERVICE TO ELECTRIC AND)	
NATURAL GAS CUSTOMERS IN)	
<u>THE STATE OF IDAHO</u>)	

APPLICATION OF AVISTA CORPORATION

(ELECTRIC AND NATURAL GAS)

1 Application is hereby made to the Idaho Public Utilities Commission for an Order
2 granting Avista Corporation (Applicant, Company, or Avista) the authority to increase its
3 rates and charges for electric and natural gas service to electric and natural gas customers
4 in the State of Idaho, to be effective on September 1, 2021 and September 1, 2022.

5 In this filing Avista is requesting a Two-Year Rate Plan with a Rate Year 1 electric
6 base rate relief of \$24.8 million (10.1 percent) and natural gas base rate relief of \$0.1
7 million (0.1 percent), effective September 1, 2021. This is before the effect of the Tax
8 Customer Credit Tariff Schedules 76 (electric) and 176 (natural gas). The Company is
9 also requesting a Rate Year 2 electric base rate relief of \$8.7 million (3.2 percent) and
10 natural gas base rate relief of \$1.0 million (2.2 percent), effective September 1, 2022.
11 This is before the effect of the Deferred Depreciation Credit Tariff Schedule 177 (natural
12 gas).

13 As discussed further in the Company's filing, Avista separately filed with this
14 Commission on October 30, 2020 a Tax Accounting Application requesting authorization
15 to change its accounting for federal income tax expense from a normalization method to
16 a flow-through method for certain plant basis adjustments.¹ Approval of the Company's
17 application would provide immediate benefits to customers, which Avista is requesting
18 approval to defer, and to begin amortization through separate tariff those benefits
19 concurrent with the effective date of this GRC.²

20 The proposed amortization by the Company of the electric tax benefits (\$31.3
21 million), beginning September 1, 2021 through separate "Tax Customer Credit" Tariff

¹ Case Nos. AVU-E-20-12 and AVU-G-20-07.

² On December 31, 2020, Commission Staff filed comments supporting the Company's application as filed.

1 Schedule 76 (electric) of \$24.8 million, offsets the Company’s base electric rate relief
2 requested in its entirety for Rate Year 1 (September 1, 2021) until approximately
3 November 30, 2022. The result is no billed impact to electric customers for the Rate Year
4 1 increase. Customers would, however, see a bill increase for Rate Year 2, effective
5 September 1, 2022 of 3.5 percent or \$8.7 million.

6 For natural gas customers, the Company proposes to begin amortizing the natural
7 gas tax benefits (\$12.1 million) beginning September 1, 2021 over a 10-year period,
8 through separate “Tax Customer Credit” Tariff Schedule 176 (natural gas) of
9 approximately \$1.2 million annually. This would offset the slight increase in Rate Year
10 1 (\$0.1 million) and result in an overall reduction for natural gas customers of
11 approximately 1.8 percent at that time on a billed basis. In addition, for Rate Year 2, the
12 Company proposes to amortize its “Natural Gas Deferred Depreciation Expense” balance
13 of approximately \$0.9 million for one-year effective September 1, 2022 through August
14 31, 2023, offsetting the proposed \$1.0 million increase through Separate “Deferred
15 Depreciation Credit” Tariff Schedule 177. Customers would therefore see an overall
16 slight bill impact effective September 1, 2022 of 0.1 percent.

17 In support of this Application, Applicant states as follows:

18 I.

19 The name of the Applicant is Avista Corporation, dba Avista Utilities, a
20 Washington corporation whose principal business office is 1411 East Mission Avenue,
21 Spokane, Washington, which is qualified to do business in the State of Idaho. Avista
22 maintains district offices in Sandpoint, Coeur d’Alene, Moscow, and Lewiston, Idaho.
23 Communications in reference to this Application should be addressed to the following:

Application of Avista Corporation
Case Nos. AVU-E-21-01 & AVU-G-21-01

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Electronically - AvistaDockets@Avistacorp.com

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II.

Avista is a public utility primarily engaged in the generation, transmission and distribution of electric power and the distribution of natural gas in certain portions of eastern and central Washington, northern Idaho, as well as distribution of natural gas in northeast and southwest Oregon. The Company is subject to the jurisdiction of this Commission, the Washington Utilities and Transportation Commission, the Public Utility Commission of Oregon, the Montana Public Service Commission, and the Federal Energy Regulatory Commission.

III.

Applicant's existing base rates and charges for electric service were approved as a result of the Commission's Order No. 34499, dated November 29, 2019, in Case No.

1 AVU-E-19-04. The existing rates and charges for electric service on file with the
2 Commission (designated as Applicant's Tariff No. 28) are incorporated herein as though
3 fully attached hereto.

4 **IV.**

5 Applicant's existing base rates and charges for natural gas service were approved
6 as a result of the Commission's Order No. 33953, dated December 28, 2017, in Case No.
7 AVU-G-17-01. The existing rates and charges for natural gas service on file with the
8 Commission (designated as Applicant's Tariff No. 27) are incorporated herein as though
9 fully attached hereto.

10 **V.**

11 The electric and natural gas rates and charges which Applicant desires to have the
12 Commission approve are filed herewith as Exhibit A. Also included in Exhibit A are
13 copies of the tariff schedules showing the proposed changes by striking over the existing
14 rates and underlining the proposed rates. Company witness Mr. Miller fully describes in
15 his testimony and exhibits the proposed changes.

16 **VI.**

17 The circumstances and conditions relied upon, and justification for, the approval
18 of the proposed increase in rates for electric and natural gas service are as follows:

19 Applicant's present electric and natural gas rates will not produce sufficient
20 revenue to provide operating income required to allow the Applicant the opportunity to
21 earn the 7.30% rate of return being requested and supported in this Application.

22 The Applicant's last electric and natural gas general rate case change (Case Nos.

1 AVU-E-19-04 and AVU-G-17-01) in Idaho was effective in December 2019 and January
2 2019, respectively.

3 The primary factors driving the Company's electric and natural gas revenue
4 requirements in Rate Year 1 and Rate Year 2 is an increase in net plant investment
5 (including return on investment, depreciation and taxes, and offset by the tax benefit of
6 interest) from that currently authorized. For Rate Year 1, electric net power supply
7 expenses also contribute significantly to the incremental electric revenue requirement.
8 Other changes impacting the Company's revenue requirement requests relate to increases
9 in distribution, operation and maintenance (O&M), and administrative and general
10 (A&G) expenses for both electric and natural gas operations, compared to current
11 authorized levels. Unless the increased rates as requested in this filing are approved,
12 Applicant's rates will not be fair, just and reasonable and it will not have the opportunity
13 to realize a fair rate of return on its investment.

14 Applicant's evidence in support of its need for increased electric and natural gas
15 rates is based on a 12-month ended December 31, 2019 test year. Applicant's rate base
16 evidence is presented on an average-monthly-average basis for each respective Rate Year.
17 Documentation showing how the test year data was adjusted is provided in the testimony
18 and exhibits of Company witness Ms. Andrews.

19 Applicant provides utility service in states other than Idaho. A jurisdictional
20 separation of all investments, revenues and expenses allocated or assigned in whole or in
21 part to the Idaho utility business regulated by this Commission is described in the
22 testimony and exhibits of Ms. Andrews.

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VII.

Applicant’s evidence will show that an overall rate of return of 7.30% is fair, just and reasonable. The Company’s exhibits and testimony support an increase in retail electric and natural gas revenue of \$24.8 million and \$0.1 million, respectively, for Rate Year 1 (September 2021 through August 2022) and \$8.7 million and \$1.0 million, respectively, for Rate Year 2 (September 2022 through August 2023). Simultaneous with the filing of this Application, Applicant has filed its prepared direct testimony and exhibits in support of its revised rates, as well as workpapers showing how test year data were adjusted.

VIII.

A complete justification of the proposed increases in electric and natural gas rates is provided in the testimony and exhibits of Company witnesses. These witnesses and a brief summary of their testimony are as follows.

Mr. Dennis P. Vermillion, President and Chief Executive Officer of Avista, presents the Company’s policy testimony and provides an overview of Avista Corporation. He will provide an overview of the Company’s proposal in this filing for a Two-Year Rate Plan and address why the Company is filing a general rate case at this time given the COVID-19 pandemic. He summarizes the Company’s proposal in this filing, and addresses our continuing capital investment, which continues to be the primary driver behind the Company’s most recent general rate cases. He also discusses the Company’s proposal to offset the revenue requirement approved for Rate Year 1 in this case with a Tax Customer Credit, resulting in no bill impact for electric customers, and a reduction in billed rates for natural gas customers, beginning September 1, 2021. Later,

1 he discusses Avista's ongoing focus on cost management and cost efficiencies which
2 have been undertaken to help mitigate the overall rate request, as well as our continued
3 focus on communicating with customers, our overall customer satisfaction, and our
4 customer support programs. Finally, he introduces the other Company witnesses who
5 support this general rate case filing, which is duplicated below.

6 Mr. Mark Thies, Executive Vice President, Chief Financial Officer and Treasurer,
7 will provide a financial overview of Avista Corporation as well as explain our credit
8 ratings and the Company's proposed capital structure and overall rate of return in this
9 case. In brief, he provides information that shows:

- 10 1. Avista's plans call for a continuation of utility capital investments in
11 generation, transmission, electric and natural gas distribution systems and
12 technology to preserve and enhance service reliability for our customers,
13 including the continued replacement of aging infrastructure. Capital
14 expenditures of approximately \$405 million per year (system) are planned for
15 the five-year period ending December 31, 2024. Avista needs adequate cash
16 flow from operations to fund these requirements, together with access to
17 capital from external sources under reasonable terms, on a sustainable basis.
18
- 19 2. We are proposing an overall rate of return of 7.30 percent, which includes a
20 50 percent common equity ratio, a 9.90 percent return on equity, and a cost of
21 debt of 4.70 percent. We believe our proposed overall rate of return of 7.30
22 percent and the proposed capital structure provide a reasonable balance
23 between safety and economy.
24
- 25 3. Avista's corporate credit rating from Standard & Poor's (S&P) is currently
26 BBB and Baa2 from Moody's Investors Service. Avista must operate at a
27 level that will support a solid investment grade corporate credit rating in order
28 to access capital markets at reasonable rates. A supportive regulatory
29 environment is an important consideration by the rating agencies when
30 reviewing Avista. Maintaining solid credit metrics and credit ratings will also
31 help support a stock price necessary to issue equity under reasonable terms to
32 fund capital requirements.

1 Mr. Adrien McKenzie, as President of Financial Concepts and Applications
2 (FINCAP), Inc., has been retained to present testimony with respect to the Company's
3 cost of common equity. He concludes that:

- 4 • To reflect the risks and prospects associated with Avista's jurisdictional utility
5 operations, his analyses focus on a proxy group of 18 utilities with comparable
6 investment risks.
- 7 • Because investors' required return on equity is unobservable and no single
8 method should be viewed in isolation, he applies the DCF, CAPM, ECAPM,
9 and risk premium methods to estimate a fair ROE for Avista, as well as
10 referencing the expected earnings approach.
- 11 • Based on the results of these analyses and giving less weight to extremes at
12 the high and low ends of the range, he concludes that the cost of equity for the
13 proxy group of utilities is in the **9.4 percent to 10.8 percent** range, or **9.5**
14 **percent to 10.9 percent** after incorporating an adjustment to account for the
15 impact of common equity flotation costs.
- 16 • As reflected in the testimony of Mark T. Thies, Avista is requesting a fair ROE
17 of **9.9 percent**, which is below the **10.2 percent** midpoint of his recommended
18 range. Considering capital market expectations, the exposures faced by
19 Avista, and the economic requirements necessary to maintain financial
20 integrity and support additional capital investment even under adverse
21 circumstances, it is his opinion that 9.9 percent represents a reasonable ROE
22 for Avista.

23
24 Mr. Ryan Krasselt, Vice President, Controller and Principal Accounting Officer,
25 addresses the Company's application³ filed with the Idaho Public Utilities Commission
26 ("Commission") on October 30, 2020 (Case Nos. AVU-E-20-12 and AVU-G-20-07),
27 requesting authorization to change the Company's accounting for federal income tax
28 expense from the normalization method to a flow-through method for certain plant basis

³ The Company has requested in its Tax Accounting Application approval of the change in accounting, and the deferral of benefits, on or before May 1, 2021, to ensure approval from all three jurisdictions is received in time to apply this change and return the customer benefits in each state effective with each general rate case.

1 adjustments, including Industry Director Directive No. 5 (IDD #5) and meters. He will
2 specifically address the IRS normalization requirements versus flow-through
3 requirements related to these plant basis adjustments, also referred to as non-protected
4 assets. Avista is currently calculating federal income taxes utilizing the normalization
5 method for the majority of plant-related temporary book-to-tax differences. He will
6 describe the proposal by Avista to utilize the flow-through method on certain plant basis
7 adjustments, which will provide immediate benefits to customers.

8 Ms. Elizabeth Andrews, Senior Manager of Revenue Requirements, will
9 generally cover accounting and financial data in support of the Company's Two-Year
10 Rate Plan for the period September 1, 2021 through August 31, 2023. She will explain
11 pro forma operating results, including expense and rate base adjustments made to actual
12 operating results and rate base. In addition, she incorporates the Idaho-share of the
13 proposed adjustments of other witnesses in this case. In addition to discussing the
14 Company's needed rate relief, she will discuss the Company's requests in this case
15 associated with its Wildfire Resiliency Plan ("Wildfire Plan") and discuss the Company's
16 proposal to establish a Wildfire expense balancing account to track wildfire expenses
17 during the 10-year Wildfire Plan. Finally, she will discuss, along with Company witness
18 Mr. Krasselt, the Company's Tax Accounting Application and proposed Tax Customer
19 Credit.

20 Mr. Kelly Magalsky, Director of Products, Services, and Customer Technology,
21 will provide an overview of the Company's "Customer at the Center" initiative as
22 discussed by Mr. Vermillion, and address the rationale for the projects that we have
23 included in this rate case over the Two-Year Rate Plan.

1 Mr. Jason Thackston, Senior Vice President of Energy Resources and
2 Environmental Compliance Officer, provides an overview of the Company's recently
3 announced 100 Percent Clean Electricity goal by 2045, carbon neutral electricity supply
4 by the end of 2027, and why it is important to our Company. He will also provide an
5 overview of Avista's resource planning and power supply operations. This overview
6 includes summaries of the Company's current and future resource plans, as well as an
7 overview of the Company's Energy Resources Risk Policy. He will address the
8 generation-related capital projects included in this case, including capital additions
9 associated with the Company's investment in Colstrip Unit Nos. 3 and 4 for the periods
10 2020 through August 2023. His testimony will conclude with a discussion of the
11 Rattlesnake Flat Wind Power Purchase Agreement.

12 Mr. Scott Kinney, Director of Power Supply, provides an overview of Avista's
13 evaluation and decision to join the Western Energy Imbalance Market (EIM) operated by
14 the California Independent System Operator (CAISO). He provides an overview of the
15 current cost estimates associated with joining the EIM, including a brief description of
16 Operation and Maintenance Costs (O&M), as well as a detailed description of Capital
17 costs we have included in this rate case over the Two-Year Rate Plan.

18 Mr. Clint Kalich, Manager of Resource Planning & Power Supply Analyses, will
19 explain efforts the Company has made to simplify its power supply adjustment, providing
20 for better transparency and easy discovery for the Parties and a reasonable level of
21 expense in this case. His testimony will include documentation of the rationale for key
22 inputs and assumptions driving power supply cost values including loads, natural gas and
23 electricity prices, and a comparison to the current level of authorized power supply

1 expense. Finally, he will identify and explain the proposed pro forma adjustments to the
2 2019 test period power supply revenues and expenses, including the Retail Revenue
3 Credit used in Power Cost Adjustment (PCA) deferral calculations.

4 Mr. Jeff Schlect, Senior Manager, FERC Policy and Transmission Services,
5 presents Avista's transmission revenues and expenses included in the Company's request
6 for rate relief over the Two-Year Rate Plan effective September 1, 2021 and ending
7 August 31, 2023.

8 Ms. Heather Rosentrater, Senior Vice President of Energy Delivery and Shared
9 Services, will provide an overview of the Company's electric and natural gas energy
10 delivery facilities, electric reliability trends and areas of focus, and explain the factors
11 driving our continuing investment in electric distribution infrastructure. She will explain
12 how our efforts to maintain the asset health and performance of our electric transmission
13 system, including compliance with mandatory federal standards for transmission
14 planning and operations, is driving a continuing demand for new investment. Further, she
15 will describe why our investments in natural gas distribution are necessary in the time
16 frames completed and why each capital investment in our operations facilities and fleet
17 operations is needed to support the efficient delivery of service to our customers, today
18 and into the future.

19 Mr. David Howell, Director of Electric Operations and Asset Maintenance, details
20 the Company's response to the increasing threat of wildfires within Avista's service
21 territories by proactively implementing its Wildfire Resiliency Plan. Avista's Wildfire
22 Resiliency Plan reflects the Company's 130-year operating history combined with recent
23 efforts to quantify and respond to the financial, safety-related, and service reliability risks

1 associated with wildfires. Finally, he addresses the incremental costs, both capital and
2 O&M, associated with the Company's Wildfire Plan included in the Company's request
3 for rate relief over the Two-Year Rate Plan.

4 Mr. James Kensok, Vice President and Chief Information and Security Officer,
5 provides an overview of, and discusses costs associated with, the Company's Information
6 Service/Information Technology (IS/IT) programs, projects and security. These costs are
7 comprised of the capital investments for a range of IS/IT projects that support systems
8 used by the Company, as well as cyber and physical security projects and costs. He
9 explains why our information technology and security investments are necessary in the
10 time frames indicated and why investments in technology are necessary. In addition, he
11 describes the capital additions, and incremental expenses, associated with the Company's
12 IS/IT costs included over the Two-Year Rate Plan.

13 Ms. Jody Morehouse, Director of Gas Supply, discusses Avista's natural gas
14 resource planning and procurement process, as well as provides an overview of the
15 Company's 2018 Natural Gas Integrated Resource Plan.

16 Ms. Kaylene Schultz, Manager of Regulatory Affairs, describes the Company's
17 restated twelve-months ended December 31, 2019 net plant from average-of-monthly-
18 averages (AMA) to end-of-period (EOP) adjustment, as well as explain how pro forma
19 capital additions for the period of January 1, 2020 through August 31, 2023 are
20 incorporated into the Company's Two-Year Rate Plan and proposed electric and natural
21 gas revenue requirements.

22 Ms. Tara Knox, Manager of Regulatory Accounting Initiatives, covers the
23 Company's electric cost-of-service study performed for this proceeding. Additionally,

1 she is sponsoring the electric revenue normalization adjustments to the test year results
2 of operations.

3 Mr. Joel Anderson, Regulatory Analyst, covers the Company's natural gas cost-
4 of-service study performed for this proceeding. Additionally, he is sponsoring the natural
5 gas revenue normalization adjustments to the test year results of operations.

6 Mr. Joseph Miller, Senior Manager of Rates and Tariffs, discusses the spread of
7 the proposed 2021 and 2022 electric and natural gas base revenue increases among the
8 Company's electric and natural gas general service schedules. His testimony will also
9 describe the changes to the rates within the Company's electric and natural gas service
10 schedules and the implementation of the new Tax Customer Credit Rate Schedules 76
11 and 176 and the new natural gas Deferred Depreciation Credit Schedule 177.

12 **IX.**

13 Avista has provided under separate cover an Attorney's Certificate And Claim Of
14 Confidentiality Relating To Portions Of Avista's Exhibits and Workpapers pursuant to
15 Idaho Code Section 9-340D and IDAPA 31.01.01.067 and 31.01.01.233.

16 **X.**

17 Notice to the public of the proposed rates and charges, pursuant to IDAPA
18 31.01.01.125, will be given to customers by distributing a customer notice, as a bill
19 stuffer, to each customer over a billing cycle (estimated to run from February 3, 2021
20 through March 3, 2021), and by a news release, both of which are attached as Exhibit B.

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XI.

Portions of the Company’s Application and accompanying testimony and exhibits are based on computer models. Documentation and explanation on some of the models have already been provided to Commission Staff. Additional documentation and explanation are provided with testimony, exhibits and workpapers in this filing. Further information can be provided upon request.

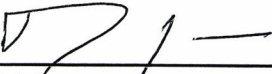
XII.

The Applicant stands ready for immediate consideration of this Application.

WHEREFORE Applicant requests the Commission issue its Order finding the proposed rates and charges to be fair, just, reasonable and nondiscriminatory. The Applicant is also requesting that the Commission suspend the Applicant’s filing with a proposed effective date of September 1, 2021. Under the Company’s Two-Year Rate Plan proposal, the suspended tariffs for Rate Year 2 would go into effect on September 1, 2022, as stated on those tariff sheets.

DATED at Spokane, Washington, this 28th day of January 2021.

AVISTA CORPORATION

By: 

David J. Meyer
Vice President and Chief Counsel for
Regulatory & Governmental Affairs
Avista Corporation

1 STATE OF WASHINGTON)

2 : ss

3 County of Spokane)

4

5 David J. Meyer, being duly sworn, on oath deposes and says:

6 That he is the Vice President and Chief Counsel of Regulatory and Governmental Affairs
7 of Avista Corporation;

8 That he has read the foregoing Application, knows the contents thereof, and believes the
9 same to be true.

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David J. Meyer

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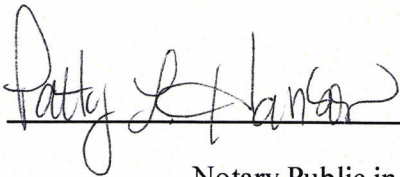
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Subscribed and sworn to before me this 28th day of January 2021.

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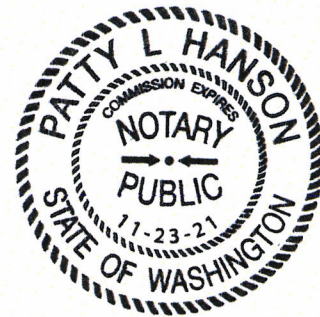
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Notary Public in and for the State
Washington, residing in Spokane

21



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BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION)	CASE NO. AVU-E-21-01
OF AVISTA CORPORATION FOR THE)	CASE NO. AVU-G-21-01
AUTHORITY TO INCREASE ITS RATES)	
AND CHARGES FOR ELECTRIC AND)	
NATURAL GAS SERVICE TO ELECTRIC)	ATTORNEY'S CERTIFICATE
AND NATURAL GAS CUSTOMERS IN)	CLAIM OF CONFIDENTIALITY
OF IDAHO)	RELATING TO PORTIONS
)	OF AVISTA'S EXHIBIT'S
)	AND WORKPAPERS
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FOR AVISTA CORPORATION

I, David J. Meyer, represent Avista Corporation. I am Vice President and Chief Counsel for Regulatory and Governmental Affairs for Avista Corporation (Avista or Company) and I am appearing on its behalf in this proceeding.

I make this certification and claim of confidentiality pursuant to IDAPA 31.01.01 because Avista, through its supporting workpapers, is disclosing certain information that is CONFIDENTIAL and constitutes TRADE SECRETS as defined by Idaho Code Section 9-340 and 48-801 and protected under IDAPA 31.01.01.067 and 31.01.01.233.

The printed information Avista provides will, as required under IDAPA Rule 31.01.01.067, be marked as CONFIDENTIAL, will be reproduced on any colored paper other than white, and will be provided under separate cover. The electronic information Avista provides will be reproduced separately on a thumb drive and will also be marked as CONFIDENTIAL.

The confidential information that Avista is disclosing includes, but is not limited to: 1) certain results providing detailed information on the Company's load and resource positions by month, 2) certain equity issuances as detailed in the January 1, 2021 through December 31, 2021 pro forma capital structure, 3) Risk Management Policies which contain general policies, guidelines, and position limits, and 4) Interest Rate Risk Management Plan which contains policies and guidelines.

Avista herein asserts that the aforementioned information is confidential in that: 1) making the load and resource information public will give entities access to competitive information on future operating plans and market purchase requirements and Avista believes the information could be used to disadvantage its customers, 2)

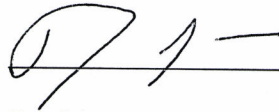
1 disclosing planned equity issuances may financially disadvantage the Company, 3) the
2 Risk Management Policies and hedging practices, and the Interest Rate Risk
3 Management Plan, if shared with competitors, could also be used to disadvantage
4 Avista's customers.

5 I am of the opinion that this information is CONFIDENTIAL, as defined by
6 Idaho Code Sections 9-340D and 48-801, should therefore be protected from public
7 inspection, examination and copying, and should be utilized only in accordance with the
8 terms of the PROTECTIVE AGREEMENT BETWEEN AVISTA CORPORATION
9 AND PARTIES WHO HAVE REQUESTED SUCH AN AGREEMENT.

10 RESPECTFULLY SUBMITTED this 28th day of January 2021

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David J. Meyer
Vice President and Chief Counsel for
Regulatory & Governmental Affairs
Avista Corporation