

WUTC  
DOCKET NO. UE-991606  
EXHIBIT # 472  
 ADMIT  
 W/D  
 REJECT

# Comparison of Residential-Allocated Costs

"Base Scenario" vs. "Alternative Scenario 3 – Puget UE-920499 Methodology"

Sources:

Base Scenario:

Exhibit 462 (Knox Exhibit TLK-50) Part 3, Page 1

Alternative Scenario 3:

Knox Workpapers, Page 279

Cost	Base Scenario	Alternative Scenario 3	Difference	Difference
	Avista Proposed Method	WUTC-Approved Puget UE-920499 Method	\$	%
<b>Plant In Service</b>				
Production	\$210,796,645	\$209,783,052	\$1,013,593	0.48%
Transmission	\$80,478,919	\$80,188,317	\$290,602	0.36%
Distribution	\$190,548,507	\$190,548,507	\$0	0.00%
<b>Intangible</b>				
General	\$6,407,836	\$5,837,158	\$570,678	9.78%
	\$38,087,939	\$28,095,753	\$9,992,186	35.56%
<b>Operating Expenses</b>				
Production	\$72,939,912	\$72,601,256	\$338,656	0.47%
Transmission	\$4,479,102	\$4,462,928	\$16,174	0.36%
Distribution	\$5,264,368	\$5,264,368	\$0	0.00%
Customer Accounting	\$4,519,843	\$4,519,843	\$0	0.00%
Customer Information	\$3,104,937	\$3,098,299	\$6,638	0.21%
Sales	\$171,593	\$171,593	\$0	0.00%
<b>Administrative &amp; General</b>				
	\$21,710,236	\$17,201,048	\$4,509,188	26.21%

Figures from Knox Exhibit and Workpapers

Calculated by Public Counsel

472

1 Sumcost  
2 Scenario: Company Base Case

AVISTA UTILITIES  
Cost of Service Basic Summary  
For The Twelve Months Ended December 31, 1998

Electric Utility

Washington Jurisdiction

Page 1 of 1  
10/21/99  
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	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
				Source	System Total	Residential Service Sch 1	General Service Sch 11-12	Large Gen Service Sch 21-22	Extra Large Gen Service Sch 25	Special Contracts Sch 28	Pumping Service Sch 31-32	Street & Area Lighting Sch 41-49	Open 1	Open 2	Open 3	Open 4
8 Description																
9 Plant In Service																
10 Production Plant		Database Line		896	462,019,000	210,796,645	36,241,973	133,344,559	69,930,191	440,013	9,173,169	2,092,450	0	0	0	0
11 Transmission Plant		Database Line		935	176,604,000	80,478,919	13,824,126	51,023,688	26,793,222	161,249	3,515,022	807,775	0	0	0	0
12 Distribution Plant		Database Line		1092	364,352,000	190,548,507	33,277,423	94,839,920	22,578,141	3,506	6,475,731	16,628,772	0	0	0	0
13 Intangible Plant		Database Line		873	12,705,000	6,407,836	1,036,848	3,258,870	1,706,709	9,397	231,545	53,796	0	0	0	0
14 General Plant		Database Line		1145	54,525,000	38,087,939	5,169,458	6,929,410	3,549,028	835	629,648	158,684	0	0	0	0
15 Total Plant In Service					1,070,205,000	526,319,845	89,549,828	289,396,447	124,557,291	614,998	20,025,114	19,741,476	0	0	0	0
16																
17 Accum Depreciation																
18 Production Plant		Database Line		1171	151,095,000	69,020,323	11,877,293	43,562,019	22,815,516	149,855	2,992,515	677,479	0	0	0	0
19 Transmission Plant		Database Line		1210	55,605,000	25,339,348	4,352,622	16,065,164	8,436,033	50,770	1,106,729	254,334	0	0	0	0
20 Distribution Plant		Database Line		1367	101,000,000	52,902,926	9,101,951	24,846,075	5,006,635	1,101	1,719,326	7,421,988	0	0	0	0
21 Intangible Plant		Database Line		1441	1,694,000	1,111,036	155,702	263,470	136,029	299	22,046	5,420	0	0	0	0
22 General Plant		Database Line		1420	23,510,000	16,422,695	2,228,958	2,987,812	1,530,264	360	271,490	68,421	0	0	0	0
23 Total Accumulated Depreciation					332,904,000	164,796,327	27,716,526	87,724,539	37,924,476	202,384	6,112,105	8,427,642	0	0	0	0
24																
25 Net Plant					737,301,000	361,523,518	61,833,302	201,671,908	86,632,815	412,614	13,913,009	11,313,835	0	0	0	0
26 Accumulated Deferred FIT		DSum	1449	1453	(98,231,000)	(48,301,382)	(8,222,006)	(26,573,922)	(11,412,334)	(56,260)	(1,838,378)	(1,826,718)	0	0	0	0
27 Miscellaneous Rate Base		Database Line		1466	23,773,000	9,853,659	1,794,782	7,519,037	3,956,749	25,594	506,488	116,692	0	0	0	0
28 Total Rate Base					662,843,000	323,075,795	55,406,077	182,617,023	79,177,230	381,948	12,581,119	9,603,808	0	0	0	0
29																
30 Revenue From Retail Rates		Database Line		820	236,198,000	103,403,000	24,764,500	73,526,000	26,474,500	170,000	4,293,000	3,567,000	0	0	0	0
31 Other Operating Revenues		Database Line		847	123,666,000	56,591,571	9,733,781	35,619,364	18,494,743	115,775	2,449,805	660,961	0	0	0	0
32 Total Revenues					359,864,000	159,994,571	34,498,281	109,145,364	44,969,243	285,775	6,742,805	4,227,961	0	0	0	0
33																
34 Operating Expenses																
35 Production Expenses		Database Line		203	160,018,000	72,939,912	12,531,618	46,221,074	24,264,394	147,487	3,183,185	730,329	0	0	0	0
36 Transmission Expenses		Database Line		264	9,829,000	4,479,102	769,390	2,839,754	1,491,193	8,974	195,631	44,957	0	0	0	0
37 Distribution Expenses		Database Line		307	10,889,000	5,264,368	951,331	2,931,405	852,540	161	196,192	693,004	0	0	0	0
38 Customer Accounting Expenses		Database Line		329	5,890,000	4,519,843	741,722	389,962	162,764	3,585	54,483	17,641	0	0	0	0
39 Customer Information Expenses		Database Line		348	6,672,000	3,104,937	634,048	1,905,704	841,194	2,883	117,537	65,697	0	0	0	0
40 Sales Expenses		Database Line		367	387,000	171,593	28,859	114,444	61,804	12	8,127	2,161	0	0	0	0
41 Admin & General Expenses		Database Line		440	34,439,000	21,710,236	3,179,924	6,057,532	2,608,533	4,537	478,388	399,850	0	0	0	0
42 Total O&M Expenses					228,124,000	112,189,990	18,836,892	60,459,874	30,282,421	167,640	4,233,543	1,953,640	0	0	0	0
43																
44 Taxes Other Than Income Taxes		Database Line		482	25,012,000	11,493,900	2,288,926	7,336,202	3,016,571	16,960	470,822	388,620	0	0	0	0
45 Other Income Related Items		Database Line		803	6,409,000	2,841,697	477,929	1,895,274	1,023,520	194	134,594	35,791	0	0	0	0
46 Depreciation Expense																
47 Production Plant Depreciation		Database Line		506	11,830,000	5,396,355	927,646	3,414,894	1,791,273	11,188	234,977	53,667	0	0	0	0
48 Transmission Plant Depreciation		Database Line		545	5,044,000	2,298,564	394,832	1,457,291	765,243	4,605	100,393	23,071	0	0	0	0
49 Distribution Plant Depreciation		Database Line		702	8,824,000	4,561,620	794,045	2,237,473	512,461	103	153,356	564,942	0	0	0	0
50 General Plant Depreciation		Database Line		760	4,497,000	3,141,338	426,356	571,510	292,709	69	51,931	13,088	0	0	0	0
51 Amortization Expense		Database Line		786	254,000	115,767	19,888	73,374	38,523	233	5,054	1,160	0	0	0	0
52 Total Depreciation Expense					30,449,000	15,513,645	2,562,767	7,754,542	3,400,210	16,198	545,710	655,928	0	0	0	0
53 Income Tax		Database Line		814	20,099,000	3,632,592	3,399,587	10,303,816	1,979,896	28,627	393,727	360,755	0	0	0	0
54 Total Operating Expenses					310,093,000	145,671,824	27,566,102	87,749,707	39,702,618	229,619	5,778,397	3,394,733	0	0	0	0
55																
56 Net Income					49,771,000	14,322,747	6,932,179	21,395,657	5,266,625	56,156	964,407	833,228	0	0	0	0
57																
58 Rate of Return					7.51%	4.43%	12.51%	11.72%	6.65%	14.70%	7.67%	8.68%	0.00%	0.00%	0.00%	0.00%
59 Return Ratio					1.00	0.59	1.67	1.56	0.89	1.96	1.02	1.16	0.00	0.00	0.00	0.00
60 Interest Expense		Database Line		1474	25,453,000	12,406,027	2,127,579	7,012,446	3,040,385	14,667	483,112	368,784	0	0	0	0

1 Sumcost  
 2 Scenario UE-920499 Puget Methodology  
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AVISTA UTILITIES  
 Cost of Service Basic Summary  
 For The Twelve Months Ended December 31, 1998

Electric Utility

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10/13/99  
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				Source	System Total	Residential Service Sch 1	General Service Sch 11-12	Large Gen Service Sch 21-22	Extra Large Gen Service Sch 25	Special Contracts Sch 28	Pumping Service Sch 31-32	Street & Area Lighting Sch 41-49	Open 1	Open 2	Open 3	Open 4
8 Description																
9 Plant In Service																
10 Production Plant		Database Line		896	462,019,000	209,783,052	35,795,367	133,468,033	71,494,204	177,366	8,855,628	2,445,350	0	0	0	0
11 Transmission Plant		Database Line		935	176,604,000	80,188,317	13,682,565	51,017,358	27,328,232	67,797	3,385,011	934,720	0	0	0	0
12 Distribution Plant		Database Line		1092	364,352,000	190,548,507	33,277,423	94,839,920	22,578,141	3,506	6,475,731	16,628,772	0	0	0	0
13 Intangible Plant		Database Line		873	12,705,000	5,837,158	997,777	3,640,470	1,878,512	4,534	242,087	104,462	0	0	0	0
14 General Plant		Database Line		1145	54,525,000	28,095,753	4,770,779	13,783,968	5,825,982	14,282	956,752	1,077,483	0	0	0	0
15 Total Plant In Service					1,070,205,000	514,452,787	88,523,911	296,749,748	129,105,072	267,484	19,915,210	21,190,787	0	0	0	0
16																
17 Accum Depreciation																
18 Production Plant		Database Line		1171	151,095,000	68,605,772	11,706,231	43,648,319	23,380,893	58,004	2,896,074	799,708	0	0	0	0
19 Transmission Plant		Database Line		1210	55,605,000	25,247,850	4,308,051	16,063,171	8,604,484	21,346	1,065,794	294,303	0	0	0	0
20 Distribution Plant		Database Line		1367	101,000,000	52,902,926	9,101,951	24,846,075	5,006,635	1,101	1,719,326	7,421,988	0	0	0	0
21 Intangible Plant		Database Line		1441	1,694,000	806,730	138,631	473,018	214,065	462	31,682	29,413	0	0	0	0
22 General Plant		Database Line		1420	23,510,000	12,155,484	2,062,414	5,912,589	2,500,731	6,204	411,209	461,370	0	0	0	0
23 Total Accumulated Depreciation					332,904,000	159,718,761	27,317,276	90,943,171	39,706,808	87,116	6,124,085	9,006,781	0	0	0	0
24																
25 Net Plant					737,301,000	354,734,026	61,206,635	205,806,577	89,398,264	180,368	13,791,125	12,184,006	0	0	0	0
26 Accumulated Deferred FIT		DSum	1449	1453	(98,231,000)	(47,244,420)	(8,130,032)	(27,226,759)	(11,820,572)	(24,439)	(1,827,433)	(1,957,345)	0	0	0	0
27 Miscellaneous Rate Base		Database Line		1466	23,773,000	10,118,642	1,781,705	7,303,964	3,973,986	9,864	477,392	107,448	0	0	0	0
28 Total Rate Base					662,843,000	317,608,248	54,858,308	185,883,782	81,551,677	165,794	12,441,083	10,334,109	0	0	0	0
29																
30 Revenue From Retail Rates		Database Line		820	236,198,000	103,403,000	24,764,500	73,526,000	26,474,500	170,000	4,293,000	3,567,000	0	0	0	0
31 Other Operating Revenues		Database Line		847	123,666,000	56,311,274	9,612,572	35,660,593	18,912,552	46,224	2,368,607	754,178	0	0	0	0
32 Total Revenues					359,864,000	159,714,274	34,377,072	109,186,593	45,387,052	216,224	6,661,607	4,321,178	0	0	0	0
33																
34 Operating Expenses																
35 Production Expenses		Database Line		203	160,018,000	72,601,256	12,382,280	46,261,957	24,787,726	59,571	3,076,742	848,468	0	0	0	0
36 Transmission Expenses		Database Line		264	9,829,000	4,462,928	761,511	2,839,401	1,520,969	3,773	188,395	52,022	0	0	0	0
37 Distribution Expenses		Database Line		307	10,889,000	5,264,368	951,331	2,931,405	852,540	161	196,192	693,004	0	0	0	0
38 Customer Accounting Expenses		Database Line		329	5,890,000	4,519,843	741,722	389,962	162,764	3,585	54,483	17,641	0	0	0	0
39 Customer Information Expenses		Database Line		348	6,672,000	3,098,299	631,123	1,906,512	851,438	1,163	115,457	68,008	0	0	0	0
40 Sales Expenses		Database Line		367	387,000	171,593	28,859	114,444	61,804	12	8,127	2,161	0	0	0	0
41 Admin & General Expenses		Database Line		440	34,439,000	17,201,048	2,989,724	8,907,030	4,106,394	8,801	613,036	612,967	0	0	0	0
42 Total O&M Expenses					228,124,000	107,319,334	18,486,551	63,350,710	32,343,634	77,065	4,252,433	2,294,272	0	0	0	0
43																
44 Taxes Other Than Income Taxes		Database Line		482	25,012,000	11,465,647	2,280,757	7,343,730	3,049,728	11,621	463,335	397,183	0	0	0	0
45 Other Income Related Items		Database Line		803	6,409,000	2,910,053	496,543	1,851,432	991,748	2,460	122,843	33,921	0	0	0	0
46 Depreciation Expense																
47 Production Plant Depreciation		Database Line		506	11,830,000	5,371,497	916,541	3,417,450	1,830,610	4,541	226,748	62,613	0	0	0	0
48 Transmission Plant Depreciation		Database Line		545	5,044,000	2,290,265	390,789	1,457,111	780,524	1,936	96,680	26,697	0	0	0	0
49 Distribution Plant Depreciation		Database Line		702	8,824,000	4,561,620	794,045	2,237,473	512,461	103	153,356	564,942	0	0	0	0
50 General Plant Depreciation		Database Line		760	4,497,000	2,330,229	395,048	1,126,589	478,702	1,203	78,472	86,756	0	0	0	0
51 Amortization Expense		Database Line		786	254,000	115,331	19,679	73,376	39,305	98	4,868	1,344	0	0	0	0
52 Total Depreciation Expense					30,449,000	14,668,941	2,516,101	8,311,998	3,641,601	7,881	560,125	742,353	0	0	0	0
53 Income Tax		Database Line		814	20,099,000	5,752,906	3,506,673	8,980,550	1,233,950	43,205	358,661	223,055	0	0	0	0
54 Total Operating Expenses					310,093,000	142,116,880	27,286,626	89,838,421	41,260,661	142,232	5,757,397	3,690,783	0	0	0	0
55																
56 Net Income					49,771,000	17,597,394	7,090,446	19,348,172	4,126,391	73,991	904,211	630,395	0	0	0	0
57																
58 Rate of Return					7.51%	5.54%	12.93%	10.41%	5.06%	44.63%	7.27%	6.10%	0.00%	0.00%	0.00%	0.00%
59 Return Ratio					1.00	0.74	1.72	1.39	0.67	5.94	0.97	0.81	0.00	0.00	0.00	0.00
60 Interest Expense		Database Line		1474	25,453,000	12,196,075	2,106,545	7,137,889	3,131,563	6,366	477,734	396,827	0	0	0	0

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