

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-19 _____

DOCKET NO. UG-19 _____

EXH. EMA-3

ELIZABETH M. ANDREWS

REPRESENTING AVISTA CORPORATION

AVISTA UTILITIES
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED DECEMBER 31, 2018
(000'S OF DOLLARS)

		April 1, 2020				
		WITH PRESENT RATES			WITH 04.01.2020 PROPOSED RATES	
Line No.	DESCRIPTION	Actual Per Results Report	Total Adjustments	04.2020 Adjusted Total	Proposed Revenues & Related Exp	04.01.2020 Proposed Total
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>
REVENUES						
1	Total General Business	\$140,625	\$ (51,873)	\$88,752	\$12,935	\$101,687
2	Total Transportation	5,088	(133)	4,955		4,955
3	Other Revenues	50,681	(50,348)	333		333
4	Total Gas Revenues	196,394	(102,354)	94,040	12,935	106,975
EXPENSES						
Production Expenses						
5	City Gate Purchases	90,669	(90,669)	-		-
6	Purchased Gas Expense	955	44	999		999
7	Net Nat Gas Storage Trans	(292)	292	-		-
8	Total Production	91,332	(90,333)	999	-	999
Underground Storage						
9	Operating Expenses	1,532	-	1,532		1,532
10	Depreciation	627	(201)	426		426
11	Taxes	302	(49)	253		253
12	Total Underground Storage	2,461	(250)	2,211	-	2,211
Distribution						
13	Operating Expenses	12,316	682	12,998		12,998
14	Depreciation	11,642	170	11,812		11,812
15	Taxes	14,128	(6,453)	7,675	496	8,171
16	Total Distribution	38,086	(5,601)	32,485	496	32,981
17	Customer Accounting	7,234	(137)	7,097	49	7,146
18	Customer Service & Information	8,093	(6,834)	1,259		1,259
19	Sales Expenses	-	-	-		-
Administrative & General						
20	Operating Expenses	15,045	586	15,631	26	15,657
21	Depreciation/Amortization	8,492	1,692	10,184		10,184
22	Regulatory Amortizations	(1,559)	3,664	2,105		2,105
23	Taxes	-	-	-		-
24	Total Admin. & General	21,978	5,942	27,920	26	27,946
25	Total Gas Expense	169,184	(97,213)	71,971	571	72,542
26	OPERATING INCOME BEFORE FIT	27,210	(5,141)	22,069	12,364	34,433
FEDERAL INCOME TAX						
27	Current Accrual	2,557	(831)	1,726	2,596	4,322
28	Debt Interest	-	(272)	(272)	-	(272)
29	Deferred FIT	54	339	393		393
30	Amort ITC	(15)	-	(15)		(15)
31	NET OPERATING INCOME	24,614	(4,378)	20,236	9,768	30,004
RATE BASE: PLANT IN SERVICE						
32	Underground Storage	28,442	600	29,042		29,042
33	Distribution Plant	462,636	31,960	494,596		494,596
34	General Plant	114,053	24,861	138,914		138,914
35	Total Plant in Service	605,131	57,421	662,552	-	662,552
ACCUMULATED DEPREC/AMORT						
36	Underground Storage	(11,051)	(431)	(11,482)		(11,482)
37	Distribution Plant	(145,402)	(2,931)	(148,333)		(148,333)
38	General Plant	(32,354)	(2,835)	(35,189)		(35,189)
39	Total Accum. Depreciation/Amort.	(188,807)	(6,197)	(195,004)	-	(195,004)
40	NET PLANT	416,324	51,224	467,548	-	467,548
41	DEFERRED FIT	(88,908)	(980)	(89,888)		(89,888)
42	Net Plant After DFIT	327,416	50,244	377,660	-	377,660
43	GAS INVENTORY	8,355	-	8,355		8,355
44	GAIN ON SALE OF BUILDING	-	-	-		-
45	OTHER	5,338	88	5,426		5,426
46	WORKING CAPITAL	7,549	-	7,549		7,549
47	TOTAL RATE BASE	348,658	50,244	398,900	0	398,900
48	RATE OF RETURN	7.06%		5.07%		7.52%

AVISTA UTILITIES
CALCULATION OF REQUESTED GENERAL REVENUE REQUIREMENT
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED DECEMBER 31, 2018

Line No.	Description	Requested Base Rate Change 4/1/2020 (000's of Dollars)
1	Pro Forma Rate Base	\$ 398,990
2	Proposed Rate of Return	<u>7.52%</u>
3	Net Operating Income Requirement	\$30,004
4	Pro Forma Net Operating Income	<u>\$ 20,236</u>
5	Net Operating Income Deficiency	\$9,768
6	Conversion Factor	0.755118
7	Revenue Requirement - 2020	\$12,935
8	Total Base Distribution Revenues*	\$ 93,707
9	Percentage Base Distribution Revenue Increase	<u>13.80%</u>
10	Total Present Billed Revenue	\$ 127,800
11	Percentage Billed Revenue Increase	<u>10.12%</u>

* Line 8 "Total General Business Revenues" includes special contract transportation revenues.

Revenue Growth Rate and Revenue Adjustment for Rate Year 2 (4/1/2021)

12	Revenue Growth Rate %	<u>6.11%</u> per Exh. EMA-5, pg. 1		
13	Delivery Related Revenues 4/1/2020 <i>(\$92,722 + \$12,935 = \$105,657)</i>	<u>\$ 105,657</u>		
14	Rate Year 2: 4/1/2021 -3/31/2022	<u>\$ 6,456</u>	Incremental % (Base)	Incremental % (Billed)
			6.05%	<u>4.59%</u>
	* Current Delivery Related Revenues per Exh. EMA-x, pg x	<u>\$ 92,722</u>		
	4/1/2020 Proposed Revenue Increase from line 7	<u>\$12,935</u>		

AVISTA UTILITIES PROPOSED COST OF CAPITAL WASHINGTON NATURAL GAS			
Proposed Capital Structure			
Component	Capital Structure	Cost	Weighted Cost
Debt	50.0%	5.15%	2.57%
Common	50.0%	9.90%	4.95%
Total	<u>100.00%</u>		<u>7.52%</u>

**AVISTA UTILITIES
REVENUE CONVERSION FACTOR
WASHINGTON NATURAL GAS
TWELVE MONTHS ENDED DECEMBER 31, 2018**

Line No.	Description	Factor
1	Revenues	1.000000
	Expense:	
2	Uncollectibles	0.003781
3	Commission Fees	0.002000
4	Washington Excise Tax	0.038374
6	Total Expense	<u>0.044155</u>
7	Net Operating Income Before FIT	0.955845
8	Federal Income Tax @ 21%	0.200727
9	REVENUE CONVERSION FACTOR	0.755118

AVISTA UTILITIES
 WASHINGTON NATURAL GAS
 TWELVE MONTHS ENDED DECEMBER 31, 2018
 (000'S OF DOLLARS)

RESTATEMENT ADJUSTMENTS

**ACTUAL
 RESULTS**

Line No.	DESCRIPTION	Per Results Report	Deferred FIT Rate Base	Deferred Debits and Credits	Working Capital	Remove AMI Rate Base	Eliminate B & O Taxes	Restate Property Tax	Uncollectible Expense	Regulatory Expense
	Adjustment Number	1.00	1.01	1.02	1.03	1.04	2.01	2.02	2.03	2.04
	Workpaper Reference	G-ROO	G-DFIT	G-DDC	G-WC	G-AMI	G-EBO	G-RPT	G-UE	G-RE
REVENUES										
1	Total General Business	\$ 140,625	\$ -	\$ -	\$ -	\$ -	\$ (5,070)	\$ -	\$ -	\$ -
2	Total Transportation	5,088	-	-	-	-	(128)	-	-	-
3	Other Revenues	50,681	-	-	-	-	-	-	-	-
4	Total Gas Revenues	196,394	-	-	-	-	(5,198)	-	-	-
EXPENSES										
Production Expenses										
5	City Gate Purchases	90,669	-	-	-	-	-	-	-	-
6	Purchased Gas Expense	955	-	-	-	-	-	-	-	-
7	Net Nat Gas Storage Trans	(292)	-	-	-	-	-	-	-	-
8	Total Production	91,332	-	-	-	-	-	-	-	-
Underground Storage										
9	Operating Expenses	1,532	-	-	-	-	-	-	-	-
10	Depreciation/Amortization	627	-	-	-	-	-	-	-	-
11	Taxes	302	-	-	-	-	-	(78)	-	-
12	Total Underground Storage	2,461	-	-	-	-	-	(78)	-	-
Distribution										
13	Operating Expenses	12,316	-	-	-	-	-	-	-	-
14	Depreciation/Amortization	11,642	-	-	-	-	-	-	-	-
15	Taxes	14,128	-	-	-	-	(5,184)	80	-	-
16	Total Distribution	38,086	-	-	-	-	(5,184)	80	-	-
17	Customer Accounting	7,234	-	10	-	-	-	-	(320)	-
18	Customer Service & Information	8,093	-	-	-	-	-	-	-	-
19	Sales Expenses	-	-	-	-	-	-	-	-	-
Administrative & General										
20	Operating Expenses	15,045	-	-	-	-	-	-	-	(50)
21	Depreciation/Amortization	8,492	-	-	-	-	-	-	-	-
22	Regulatory Amortizations	(1,559)	-	-	-	-	-	-	-	-
23	Taxes	-	-	-	-	-	-	-	-	-
24	Total Admin. & General	21,978	-	-	-	-	-	-	-	(50)
25	Total Gas Expense	169,184	-	10	-	-	(5,184)	2	(320)	(50)
26	OPERATING INCOME BEFORE FIT	27,210	-	(10)	-	-	(14)	(2)	320	50
FEDERAL INCOME TAX										
27	Current Accrual	2,557	-	(2)	-	-	(3)	(0)	67	11
28	Debt Interest	-	7	0	-	33	-	-	-	-
29	Deferred FIT	54	-	-	-	-	-	-	-	-
30	Amort ITC	(15)	-	-	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ 24,614	\$ (7)	\$ (8)	\$ -	\$ (33)	\$ (11)	\$ (2)	\$ 253	\$ 40
RATE BASE										
PLANT IN SERVICE										
32	Underground Storage	\$ 28,442	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Distribution Plant	462,636	-	-	-	(7,041)	-	-	-	-
34	General Plant	114,053	-	-	-	-	-	-	-	-
35	Total Plant in Service	605,131	-	-	-	(7,041)	-	-	-	-
ACCUMULATED DEPRECIATION/AMORT										
36	Underground Storage	(11,051)	-	-	-	-	-	-	-	-
37	Distribution Plant	(145,402)	-	-	-	433	-	-	-	-
38	General Plant	(32,354)	-	-	-	-	-	-	-	-
39	Total Accumulated Depreciation/Amortization	(188,807)	-	-	-	433	-	-	-	-
40	NET PLANT	416,324	-	-	-	(6,608)	-	-	-	-
41	DEFERRED TAXES	(88,908)	(1,247)	-	-	570	-	-	-	-
42	Net Plant After DFIT	327,416	(1,247)	-	-	(6,038)	-	-	-	-
43	GAS INVENTORY	8,355	-	-	-	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-	-	-
45	OTHER	5,338	-	(7)	-	-	-	-	-	-
46	WORKING CAPITAL	7,549	-	-	-	-	-	-	-	-
47	TOTAL RATE BASE	\$ 348,658	\$ (1,247)	\$ (7)	\$ -	\$ (6,038)	\$ -	\$ -	\$ -	\$ -
48	RATE OF RETURN	7.06%								
50	REVENUE REQUIREMENT	2,126	-115	10	0	-558	15	2	-335	-52

AVISTA UTILITIES
 WASHINGTON NATURAL GAS
 TWELVE MONTHS ENDED DECEMBER 31, 2018
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Injuries & Damages	FIT / DFIT Expense	Office Space Charges to Non-Utility	Restate Excise Taxes	Net Gains & Losses	Weather Normalization / Gas Cost Adjust	Eliminate Adder Schedules	Misc. Restating Non-Util / Non-Recurring Expense	
	Adjustment Number	2.05	2.06	2.07	2.08	2.09	2.10	2.11	2.12	
	Workpaper Reference	G-ID	G-FIT	G-OSC	G-RET	G-NGL	G-WNGC	G-EAS	G-MR	
REVENUES										
1	Total General Business	\$ -	\$ -	\$ -	\$ -	\$ -	6,259	\$ 5,056	\$ -	
2	Total Transportation	-	-	-	-	-	-	-	-	
3	Other Revenues	-	-	-	-	-	(3,321)	(51,690)	114	
4	Total Gas Revenues	-	-	-	-	-	2,938	(46,634)	114	
EXPENSES										
Production Expenses										
5	City Gate Purchases	-	-	-	-	-	2,651	(41,801)	-	
6	Purchased Gas Expense	-	-	-	-	-	4	-	-	
7	Net Nat Gas Storage Trans	-	-	-	-	-	-	292	-	
8	Total Production	-	-	-	-	-	2,655	(41,509)	-	
Underground Storage										
9	Operating Expenses	-	-	-	-	-	-	-	-	
10	Depreciation/Amortization	-	-	-	-	-	-	-	-	
11	Taxes	-	-	-	-	-	-	-	-	
12	Total Underground Storage	-	-	-	-	-	-	-	-	
Distribution										
13	Operating Expenses	-	-	-	-	-	-	-	(8)	
14	Depreciation/Amortization	-	-	-	-	(13)	-	-	-	
15	Taxes	-	-	-	-	-	240	194	-	
16	Total Distribution	-	-	-	-	(13)	240	194	(8)	
17	Customer Accounting	-	-	-	-	-	24	19	-	
18	Customer Service & Information	-	-	-	-	-	-	(6,860)	(1)	
19	Sales Expenses	-	-	-	-	-	-	-	-	
Administrative & General										
20	Operating Expenses	54	-	(17)	-	-	13	10	(371)	
21	Depreciation/Amortization	-	-	-	-	-	-	-	-	
22	Regulatory Amortizations	-	-	-	-	-	-	1,083	-	
23	Taxes	-	-	-	-	-	-	-	-	
24	Total Admin. & General	54	-	(17)	-	-	13	1,093	(371)	
25	Total Gas Expense	54	-	(17)	-	(13)	2,932	(47,063)	(380)	
26	OPERATING INCOME BEFORE FIT	(54)	-	17	-	13	6	429	494	
FEDERAL INCOME TAX										
27	Current Accrual	(11)	-	4	-	3	1	90	104	
28	Debt Interest	-	-	-	-	-	-	-	-	
29	Deferred FIT	-	-	-	-	-	-	339	-	
30	Amort ITC	-	-	-	-	-	-	-	-	
31	NET OPERATING INCOME	\$ (43)	\$ -	\$ 13	\$ -	\$ 10	\$ 5	\$ (0)	\$ 390	
RATE BASE										
PLANT IN SERVICE										
32	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
33	Distribution Plant	-	-	-	-	-	-	-	-	
34	General Plant	-	-	-	-	-	-	-	-	
35	Total Plant in Service	-	-	-	-	-	-	-	-	
ACCUMULATED DEPRECIATION/AMORT										
36	Underground Storage	-	-	-	-	-	-	-	-	
37	Distribution Plant	-	-	-	-	-	-	-	-	
38	General Plant	-	-	-	-	-	-	-	-	
39	Total Accumulated Depreciation/Amortization	-	-	-	-	-	-	-	-	
40	NET PLANT	-	-	-	-	-	-	-	-	
41	DEFERRED TAXES	-	-	-	-	-	-	-	-	
42	Net Plant After DFIT	-	-	-	-	-	-	-	-	
43	GAS INVENTORY	-	-	-	-	-	-	-	-	
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-	-	
45	OTHER	-	-	-	-	-	-	-	-	
46	WORKING CAPITAL	-	-	-	-	-	-	-	-	
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
48	RATE OF RETURN	-	-	-	-	-	-	-	-	
50	REVENUE REQUIREMENT	56	0	-18	0	-14	-6	0	-517	

AVISTA UTILITIES
 WASHINGTON NATURAL GAS
 TWELVE MONTHS ENDED DECEMBER 31, 2018
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Restating Incentives Expense 2.13 G-RI	Restate Debt Interest 2.14 G-DI	Restate 2018 AMA Rate Base to EOP 2.15 G-EOP18	Restated TOTAL R-Td
	Adjustment Number	2.13	2.14	2.15	
	Workpaper Reference	G-RI	G-DI	G-EOP18	R-Td
	REVENUES				
1	Total General Business	\$ -	\$ -	\$ -	146,870
2	Total Transportation	-	-	-	4,960
3	Other Revenues	-	-	-	(4,216)
4	Total Gas Revenues	-	-	-	147,614
	EXPENSES				
	Production Expenses				
5	City Gate Purchases	-	-	-	51,519
6	Purchased Gas Expense	-	-	-	959
7	Net Nat Gas Storage Trans	-	-	-	-
8	Total Production	-	-	-	52,478
	Underground Storage				
9	Operating Expenses	-	-	-	1,532
10	Depreciation/Amortization	-	-	43	670
11	Taxes	-	-	-	224
12	Total Underground Storage	-	-	43	2,426
	Distribution				
13	Operating Expenses	-	-	-	12,308
14	Depreciation/Amortization	-	-	567	12,196
15	Taxes	-	-	-	9,458
16	Total Distribution	-	-	567	33,962
17	Customer Accounting	-	-	-	6,967
18	Customer Service & Information	-	-	-	1,232
19	Sales Expenses	-	-	-	-
	Administrative & General				
20	Operating Expenses	(72)	-	-	14,612
21	Depreciation/Amortization	-	-	961	9,453
22	Regulatory Amortizations	-	-	-	(476)
23	Taxes	-	-	-	-
24	Total Admin. & General	(72)	-	961	23,589
25	Total Gas Expense	(72)	-	1,571	120,654
26	OPERATING INCOME BEFORE FIT	72	-	(1,571)	26,960
	FEDERAL INCOME TAX				
27	Current Accrual	15	249	(330)	2,754
28	Debt Interest	-	-	(174)	(135)
29	Deferred FIT	-	-	-	393
30	Amort ITC	-	-	-	(15)
31	NET OPERATING INCOME	\$ 57	\$ (249)	\$ (1,067)	\$ 23,963
	RATE BASE				
	PLANT IN SERVICE				
32	Underground Storage	\$ -	\$ -	600	\$ 29,042
33	Distribution Plant	-	-	24,409	480,004
34	General Plant	-	-	12,935	126,988
35	Total Plant in Service	-	-	37,944	636,034
	ACCUMULATED DEPRECIATION/AMORT				
36	Underground Storage	-	-	(431)	(11,482)
37	Distribution Plant	-	-	(3,208)	(148,177)
38	General Plant	-	-	(2,338)	(34,692)
39	Total Accumulated Depreciation/Amortization	-	-	(5,977)	(194,351)
40	NET PLANT	-	-	31,967	441,683
41	DEFERRED TAXES	-	-	304	(89,281)
42	Net Plant After DFIT	-	-	32,271	352,402
43	GAS INVENTORY	-	-	-	8,355
44	GAIN ON SALE OF BUILDING	-	-	-	-
45	OTHER	-	-	-	5,331
46	WORKING CAPITAL	-	-	-	7,549
47	TOTAL RATE BASE	\$ -	\$ -	32,271	\$ 373,637
48	RATE OF RETURN				(1)
50	REVENUE REQUIREMENT	-75	330	4,627	5,475

(1) The Restated TOTAL column does not represent 12/31/2018 Test Period Commission Basis results of operation on a normalized basis (CBR basis). Differences exists due to inclusion of proposed cost of debt (pro forma versus CBR actual cost of debt) impacting Adjustment 2.14 above, and the inclusion of Restate 2018 AMA Rate base to EOP adjustment 2.15.

AVISTA UTILITIES
 WASHINGTON NATURAL GAS
 TWELVE MONTHS ENDED DECEMBER 31, 2018
 (000'S OF DOLLARS)

PRO FORMA ADJUSTMENTS

Line No.	DESCRIPTION	Pro Forma Revenue Normalization	Pro Forma LEAP Deferral Amortization	Pro Forma Labor Non-Exec	Pro Forma Labor Exec	Pro Forma Employee Benefits	Pro Forma Insurance Expense	Pro Forma IS/IT Expense
		3.01	3.02	3.03	3.04	3.05	3.06	3.07
		G-PREV	G-PLEAP	G-PLN	G-PLE	G-PEB	G-PINS	G-PIT
	Adjustment Number							
	Workpaper Reference							
	REVENUES							
1	Total General Business	\$ (58,118)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Total Transportation	(5)	-	-	-	-	-	-
3	Other Revenues	4,549	-	-	-	-	-	-
4	Total Gas Revenues	(53,574)	-	-	-	-	-	-
	EXPENSES							
	Production Expenses							
5	City Gate Purchases	(51,519)	-	-	-	-	-	-
6	Purchased Gas Expense	-	-	16	-	24	-	-
7	Net Nat Gas Storage Trans	-	-	-	-	-	-	-
8	Total Production	(51,519)	-	16	-	24	-	-
	Underground Storage							
9	Operating Expenses	-	-	-	-	-	-	-
10	Depreciation/Amortization	-	-	-	-	-	-	-
11	Taxes	-	-	-	-	-	-	-
12	Total Underground Storage	-	-	-	-	-	-	-
	Distribution							
13	Operating Expenses	-	-	362	-	328	-	-
14	Depreciation/Amortization	-	-	-	-	-	-	-
15	Taxes	(2,230)	-	-	-	-	-	-
16	Total Distribution	(2,230)	-	362	-	328	-	-
17	Customer Accounting	(220)	-	143	-	176	-	-
18	Customer Service & Information	-	-	11	-	16	-	-
19	Sales Expenses	-	-	-	-	-	-	-
	Administrative & General							
20	Operating Expenses	(116)	-	198	102	256	11	582
21	Depreciation/Amortization	-	-	-	-	-	-	-
22	Regulatory Amortizations	-	1,745	-	-	-	-	-
23	Taxes	-	-	-	-	-	-	-
24	Total Admin. & General	(116)	1,745	198	102	256	11	582
25	Total Gas Expense	(54,085)	1,745	730	102	800	11	582
26	OPERATING INCOME BEFORE FIT	511	(1,745)	(730)	(102)	(800)	(11)	(582)
	FEDERAL INCOME TAX							
27	Current Accrual	107	(366)	(153)	(21)	(168)	(2)	(122)
28	Debt Interest	-	(1)	-	-	-	-	-
29	Deferred FIT	-	-	-	-	-	-	-
30	Amort ITC	-	-	-	-	-	-	-
31	NET OPERATING INCOME	\$ 404	\$ (1,378)	\$ (577)	\$ (81)	\$ (632)	\$ (9)	\$ (460)
	RATE BASE							
	PLANT IN SERVICE							
32	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33	Distribution Plant	-	-	-	-	-	-	-
34	General Plant	-	-	-	-	-	-	-
35	Total Plant in Service	-	-	-	-	-	-	-
	ACCUMULATED DEPRECIATION/AMORT							
36	Underground Storage	-	-	-	-	-	-	-
37	Distribution Plant	-	-	-	-	-	-	-
38	General Plant	-	-	-	-	-	-	-
39	Total Accumulated Depreciation/Amortization	-	-	-	-	-	-	-
40	NET PLANT	-	-	-	-	-	-	-
41	DEFERRED TAXES	-	-	-	-	-	-	-
42	Net Plant After DFIT	-	-	-	-	-	-	-
43	GAS INVENTORY	-	-	-	-	-	-	-
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-	-
45	OTHER	-	95	-	-	-	-	-
46	WORKING CAPITAL	-	-	-	-	-	-	-
47	TOTAL RATE BASE	\$ -	\$ 95	\$ -	\$ -	\$ -	\$ -	\$ -
48	RATE OF RETURN	-	-	-	-	-	-	-
50	REVENUE REQUIREMENT	-535	1,834	764	107	837	12	609

AVISTA UTILITIES
 WASHINGTON NATURAL GAS
 TWELVE MONTHS ENDED DECEMBER 31, 2018
 (000'S OF DOLLARS)

Line No.	DESCRIPTION	Pro Forma Property Tax	Pro Forma Depreciation Expense	Pro Forma 2019 Major Capital Adds	Pro Forma O&M Offsets	Pro Forma Fee Free Amortization	Pro Forma Total
	Adjustment Number	3.08	3.09	3.10	3.11	3.12	
	Worksheet Reference	G-PPT	G-PDEP	G-PCAP	G-POFF	G-PFEE	PF-STtd
	REVENUES						
1	Total General Business	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 88,752
2	Total Transportation	-	-	-	-	-	4,955
3	Other Revenues	-	-	-	-	-	333
4	Total Gas Revenues	-	-	-	-	-	94,040
	EXPENSES						
	Production Expenses						
5	City Gate Purchases	-	-	-	-	-	-
6	Purchased Gas Expense	-	-	-	-	-	999
7	Net Nat Gas Storage Trans	-	-	-	-	-	-
8	Total Production	-	-	-	-	-	999
	Underground Storage						
9	Operating Expenses	-	-	-	-	-	1,532
10	Depreciation/Amortization	-	(244)	-	-	-	426
11	Taxes	29	-	-	-	-	253
12	Total Underground Storage	29	(244)	-	-	-	2,211
	Distribution						
13	Operating Expenses	-	-	-	-	-	12,998
14	Depreciation/Amortization	-	(731)	347	-	-	11,812
15	Taxes	447	-	-	-	-	7,675
16	Total Distribution	447	(731)	347	-	-	32,485
17	Customer Accounting	-	-	-	-	31	7,097
18	Customer Service & Information	-	-	-	-	-	1,259
19	Sales Expenses	-	-	-	-	-	-
	Administrative & General						
20	Operating Expenses	-	-	-	(14)	-	15,631
21	Depreciation/Amortization	-	(543)	1,274	-	-	10,184
22	Regulatory Amortizations	-	-	-	-	836	2,105
23	Taxes	-	-	-	-	-	-
24	Total Admin. & General	-	(543)	1,274	(14)	836	27,920
25	Total Gas Expense	476	(1,518)	1,621	(14)	867	71,971
26	OPERATING INCOME BEFORE FIT	(476)	1,518	(1,621)	14	(867)	22,069
	FEDERAL INCOME TAX						
27	Current Accrual	(100)	319	(340)	3	(182)	1,726
28	Debt Interest	-	-	(136)	-	-	(272)
29	Deferred FIT	-	-	-	-	-	393
30	Amort ITC	-	-	-	-	-	(15)
31	NET OPERATING INCOME	\$ (376)	\$ 1,199	\$ (1,144)	\$ 11	\$ (685)	\$ 20,236
	RATE BASE						
	PLANT IN SERVICE						
32	Underground Storage	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,042
33	Distribution Plant	-	-	14,592	-	-	494,596
34	General Plant	-	-	11,926	-	-	138,914
35	Total Plant in Service	-	-	26,518	-	-	662,552
	ACCUMULATED DEPRECIATION/AMORT						
36	Underground Storage	-	-	-	-	-	(11,482)
37	Distribution Plant	-	-	(156)	-	-	(148,333)
38	General Plant	-	-	(497)	-	-	(35,189)
39	Total Accumulated Depreciation/Amortization	-	-	(653)	-	-	(195,004)
40	NET PLANT	-	-	25,865	-	-	467,548
41	DEFERRED TAXES	-	-	(607)	-	-	(89,888)
42	Net Plant After DFIT	-	-	25,258	-	-	377,660
43	GAS INVENTORY	-	-	-	-	-	8,355
44	GAIN ON SALE OF BUILDING	-	-	-	-	-	-
45	OTHER	-	-	-	-	-	5,426
46	WORKING CAPITAL	-	-	-	-	-	7,549
47	TOTAL RATE BASE	\$ -	\$ -	\$ 25,258	\$ -	\$ -	\$ 398,990
48	RATE OF RETURN						
50	REVENUE REQUIREMENT	498	-1,588	4,031	-15	907	12,935

AVISTA UTILITIES
Washington Gas
(000's OF DOLLARS)
TWELVE MONTHS ENDED DECEMBER 31, 2018

Column	WP Ref	Description	Washington Gas		
			NOI	Rate Base	ROR
Restating Adjustments					
1.00	G-ROO	Per Results Report	\$24,614	\$348,658	7.06%
1.01	G-DFIT	Deferred FIT Rate Base	(7)	(1,247)	
1.02	G-DDC	Deferred Debits and Credits	(8)	(7)	
1.03	G-WC	Working Capital	0	0	
1.04	G-AMI	Remove AMI Rate Base	(33)	(6,038)	
2.01	G-EBO	Eliminate B & O Taxes	(11)	0	
2.02	G-RPT	Restate Property Tax	(2)	0	
2.03	G-UE	Uncollectible Expense	253	0	
2.04	G-RE	Regulatory Expense	40	0	
2.05	G-ID	Injuries & Damages	(43)	0	
2.06	G-FIT	FIT / DFIT Expense	0	0	
2.07	G-OSC	Office Space Charges to Non-Utility	13	0	
2.08	G-RET	Restate Excise Taxes	0	0	
2.09	G-NGL	Net Gains & Losses	10	0	
2.10	G-WNGC	Weather Normalization / Gas Cost Adjust	5	0	
2.11	G-EAS	Eliminate Adder Schedules	(0)	0	
2.12	G-MR	Misc. Restating Non-Util / Non- Recurring Expense	390	0	
2.13	G-RI	Restating Incentives Expense	57	0	
2.14	G-DI	Restate Debt Interest	(249)	0	
2.15	G-EOP18	Restate 2018 AMA Rate Base to EOP	(1,067)	32,271	
		Restated Total	<u>\$23,963</u>	<u>\$373,637</u>	6.41%
Pro Forma Adjustments					
3.01	G-PREV	Pro Forma Revenue Normalization	404	0	
3.02	G-PLEAP	Pro Forma LEAP Deferral Amortization	(1,378)	95	
3.03	G-PLN	Pro Forma Labor Non-Exec	(577)	0	
3.04	G-PLE	Pro Forma Labor Exec	(81)	0	
3.05	G-PEB	Pro Forma Employee Benefits	(632)	0	
3.06	G-PINS	Pro Forma Insurance Expense	(9)	0	
3.07	G-PIT	Pro Forma IS/IT Expense	(460)	0	
3.08	G-PPT	Pro Forma Property Tax	(376)	0	
3.09	G-PDEP	Pro Forma Depreciation Expense	1,199	0	
3.10	G-PCAP	Pro Forma 2019 Major Capital Adds	(1,144)	25,258	
3.11	G-POFF	Pro Forma O&M Offsets	11	0	
3.12	G-PFEE	Pro Forma Fee Free Amortization	(685)	0	
		Pro Forma Total	<u>\$20,236</u>	<u>\$398,990</u>	5.07%