

AVISTA CORPORATION
Summary of Requested Rate Increase
Electric Service - January 1, 2017 Request
Based on Rates Currently in Effect
Washington Jurisdiction
Filed February 19, 2016

- a) **The date and amount of the latest prior general rate increase authorized by the Commission, and revenue realized from that authorized increase in the test period, based on the company's test period units of revenue.**

Date	January 11, 2016
Amount (thousands)	\$ (8,110)
Revenue realized (thousands)	\$ - Test Period 10/1/14 - 9/30/15

- b) **Total general business revenues at present rates and at requested rates.**

Present Rates (thousands)	\$ 505,346
Requested Rates (thousands)	\$ 543,914

- c) **Requested revenue change in percentage, in total and by major customer class.**

	Base Tariff Revenue	Billed Revenue
Residential	8.4%	8.2%
General Service (Small Commercial)	7.0%	6.8%
Large General Service (Medium - Large Commercial / Industrial)	7.5%	7.4%
Extra Large General Service (Large - Commercial / Industrial)	6.8%	6.7%
Pumping Service	8.7%	8.5%
Street & Area Lighting	10.3%	9.9%
Other	N.A.	N.A.
Overall	7.8%	7.6%

- d) **Requested revenue change in thousands of dollars, in total and by major customer class.**

Residential	\$ 17,730
General Service (Small Commercial)	\$ 4,947
Large General Service (Medium - Large Commercial / Industrial)	\$ 9,708
Extra Large General Service (Large - Commercial / Industrial)	\$ 4,387
Pumping Service	\$ 1,083
Street & Area Lighting	\$ 713
Other	\$ -
Total	\$ 38,568

- e) **Requested rate change in dollars per month, per average customer, by customer class.**

	Billing Rates
Residential (957 kwhs)	\$ 6.83
General Service (Small Commercial)	\$ 13.40
Large General Service (Medium - Large Commercial / Industrial)	\$ 401.77
Extra Large General Service (Large - Commercial / Industrial)	\$ 17,408.41
Pumping Service	\$ 37.12

- Requested rate change in dollars per month, per average residential customer.**

	Billing Rates
Monthly impact at average usage of 600 kwhs per mo. (non-electric heat)	\$ 4.56
Monthly impact at average usage of 1000 kwhs per mo. (average)	\$ 7.12
Monthly impact at average usage of 1400 kwhs per mo. (electric heat)	\$ 9.88

f) Most current customer count by major customer class. (1)		
Residential		206,826
General Service	(Small Commercial)	30,771
Large General Service	(Medium - Large Commercial / Industrial)	2,014
Extra Large General Service	(Large - Commercial / Industrial)	21
Pumping Service		2,431
Total		242,063
(1) September 30, 2015		
g) Current authorized overall rate of return and authorized rate of return on common equity.		
Overall rate of return		7.29%
Rate of return on common equity		9.50%
h) Requested overall rate of return and requested rate of return on common equity, and the method or methods used to calculate rate of return on common equity.		
Overall rate of return		7.46%
Rate of return on common equity		9.90%
The methodologies utilized in the derivation of the rate of return on common equity were discounted cash flow analysis, risk premium model analysis and capital asset pricing model analysis.		
i) Requested capital structure.		
Total Debt (including Short-Term)		51.50%
Preferred Stock		0.00%
Common Equity		48.50%
Total		100.00%
j) Requested total net operating income.		
Net operating income (thousands)		\$ 112,726
k) Requested total rate base and method of calculation, or equivalent.		
Rate base (thousands)		\$ 1,475,472
Method of calculation is average of monthly average basis.		
l) Requested revenue effect of attrition allowance, if any requested.		
Attrition allowance		\$ 26,725