

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DOCKET NO. UE-170485

DOCKET NO. UG-170486

EXH. KKS-6

KAREN K. SCHUH

REPRESENTING AVISTA CORPORATION

Washington Electric
Revised Threshold Methodology (0.5% of Net Plant by Functional Group)

| | Actual - Proposed on Rebuttal | | For Informational Purposes Only | |
|------------------------------|-------------------------------|------------------------|---------------------------------|-----------------------|
| | ADJ. 2.19 | ADJ. 3.10 | Actual | Actual |
| | 12.31.16 AMA to EOP | Functional 10.31.17 | Functional 9.30.17 | Functional 8.31.17 |
| | Restating | Pro Forma | Pro Forma | Pro Forma |
| Intangible | 1,048 | 2,631 | 2,546 | 2,208 |
| Production | 632 | 372 | 352 | 329 |
| Transmission | 248 | 201 | 196 | 147 |
| Distribution | 1,051 | 681 | 533 | 474 |
| General | 847 | 663 | 430 | 329 |
| Depreciation | 3,826 | 4,548 | 4,057 | 3,487 |
| NOI Before FIT | (3,826) | (4,548) | (4,057) | (3,487) |
| FIT Benefit of Dep/Amort | 1,339 | 1,592 | 1,420 | 1,220 |
| Debt Interest | 685 | 615 | 522 | 451 |
| Net Operating Income | (1,801) | (2,341) | (2,116) | (1,816) |
| Plant Cost | | | | |
| Intangible | 4,033 | 11,824 | 11,439 | 9,918 |
| Production | 41,243 | 19,425 | 18,373 | 17,238 |
| Transmission | 15,525 | 11,056 | 10,792 | 8,054 |
| Distribution | 35,381 | 23,327 | 18,268 | 16,241 |
| General | 9,313 | 13,449 | 8,184 | 6,489 |
| Total Plant Cost | 105,495 | 79,081 | 67,056 | 57,940 |
| A/D | | | | |
| Intangible | (2,984) | (1,263) | (1,113) | (955) |
| Production | 4,587 | (189) | (169) | (148) |
| Transmission | (503) | (102) | (88) | (78) |
| Distribution | (9,716) | (274) | (217) | (181) |
| General | (3,551) | (220) | (170) | (143) |
| Total A/D | (12,167) | (2,047) | (1,757) | (1,505) |
| Net Plant before ADFIT | 93,328 | 77,033 | 65,299 | 56,435 |
| ADFIT | (23,637) | (14,489) | (12,270) | (10,594) |
| Net Plant after ADFIT | 69,691 | 62,544 | 53,029 | 45,841 |
| Proposed ROR | 7.76% | 7.76% | 7.76% | 7.76% |
| Corrected Conversion Factor | 0.619660 | 0.619660 | 0.619660 | 0.619660 |
| NOI Requirement | 7,210 | 7,195 | 6,231 | 5,373 |
| Debt | 2.81% | 2.81% | 2.81% | 2.81% |
| Revenue Requirement | 11,635 | 11,610 | 10,055 | 8,671 |

Washington Natural Gas
Revised Threshold Methodology (0.5% of Net Plant by Functional Group)

| | Actual - Proposed on Rebuttal | | For Informational Purposes Only | |
|------------------------------|-------------------------------|---------------------|---------------------------------|--------------------|
| | ADJ 2.16 | ADJ 3.10 | Actual | Actual |
| | 12.31.16 AMA to EOP | Functional 10.31.17 | Functional 9.30.17 | Functional 8.31.17 |
| | Restating | Pro Forma | Pro Forma | Pro Forma |
| Intangible | 1 | 777 | 751 | 650 |
| U/G Storage | 20 | 12 | 10 | 10 |
| Distribution | 426 | 274 | 246 | 210 |
| General | 284 | 241 | 171 | 159 |
| Depreciation | 731 | 1,304 | 1,178 | 1,029 |
| NOI Before FIT | (731) | (1,304) | (1,178) | (1,029) |
| FIT Benefit of Dep/Amort | 256 | 456 | 412 | 360 |
| Debt Interest | 139 | 162 | 140 | 122 |
| Net Operating Income | (336) | (685) | (626) | (546) |
| Plant Cost | | | | |
| Intangible | 1,097 | 3,493 | 3,376 | 2,919 |
| U/G Storage | 275 | 746 | 618 | 608 |
| Distribution | 18,072 | 10,876 | 9,764 | 8,338 |
| General | 3,141 | 5,852 | 4,289 | 3,974 |
| Total Plant Cost | 22,585 | 20,967 | 18,046 | 15,839 |
| A/D | | | | |
| Intangible | (641) | (374) | (330) | (284) |
| U/G Storage | (155) | (8) | (8) | (8) |
| Distribution | (3,730) | (104) | (86) | (68) |
| General | (752) | (120) | (107) | (100) |
| Total A/D | (5,278) | (606) | (531) | (460) |
| Net Plant before ADFIT | 17,307 | 20,361 | 17,515 | 15,379 |
| ADFIT | (3,147) | (3,873) | (3,326) | (2,926) |
| Net Plant after ADFIT | 14,160 | 16,488 | 14,189 | 12,453 |
| ROR | 7.76% | 7.76% | 7.76% | 7.76% |
| Conversion Factor | 0.619798 | 61.9798% | 61.9798% | 61.9798% |
| NOI Requirement | 1,435 | 1,965 | 1,727 | 1,513 |
| Debt | 2.81% | 2.81% | 2.81% | 2.81% |
| Revenue Requirement | 2,315 | 3,170 | 2,787 | 2,441 |